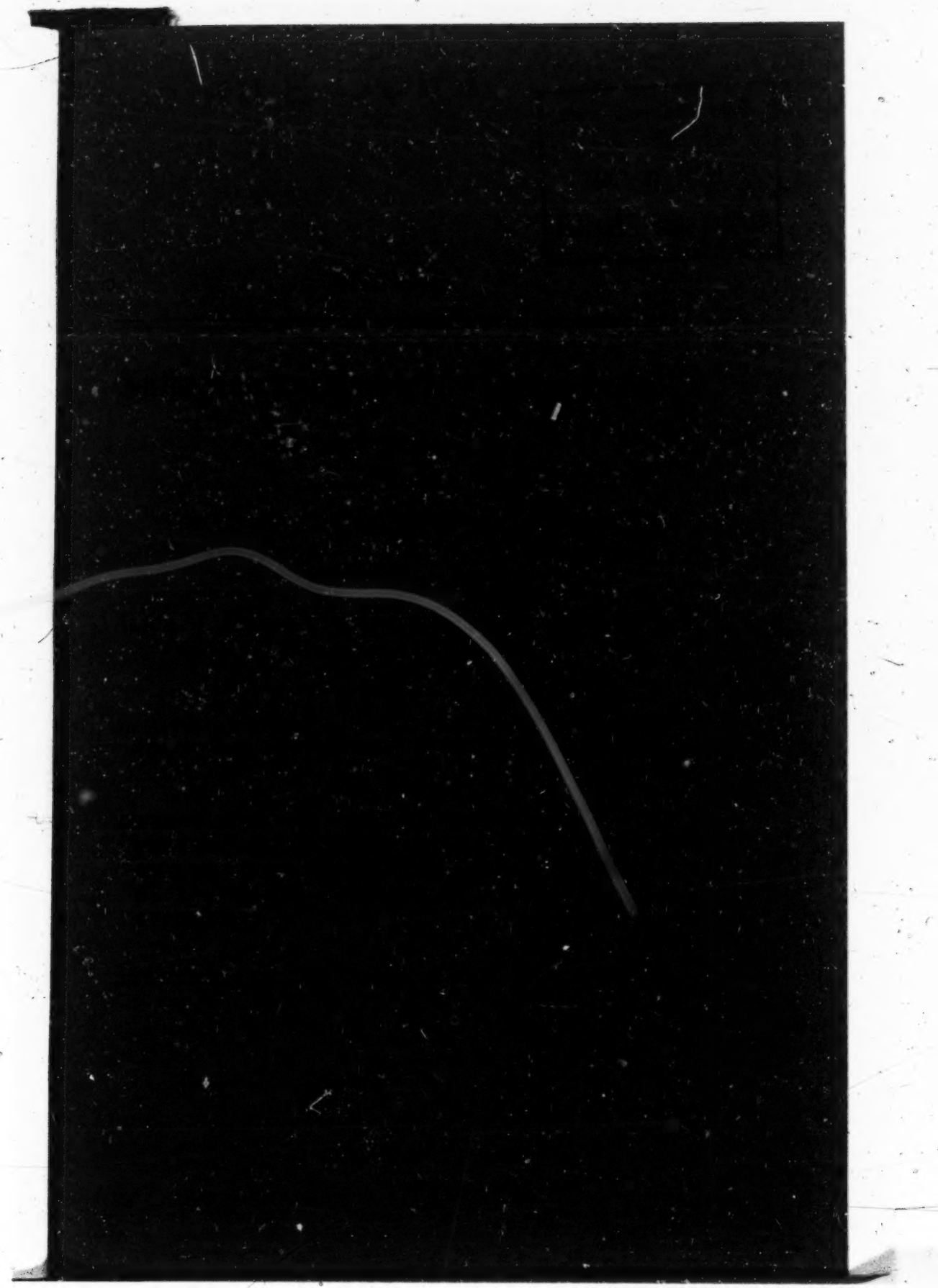
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In the Supreme Court of the United States

OCTOBER TERM, 1940

No. 640

THE UNITED STATES OF AMERICA AND THE SECRETARY OF AGRICULTURE, APPELLANTS.

v.

ALICE M. MORGAN, ADMINISTRATRIX OF THE ESTATE OF F. O. MORGAN, DECEASED, ET AL.

REPRODUCTION OF CERTAIN PORTIONS OF THE ORIGINAL RECORD AND OF CERTAIN MATERIAL OMITTED FROM THE PRINTED RECORD, SUBMITTED BY APPELLANTS PURSUANT TO AGREEMENT WITH APPELLEES

STATEMENT

Pursuant to agreement of the parties appellants reproduce herein, for convenience of reference, certain exhibits introduced by appellees at various stages of the proceedings herein, and a portion of appellees' cross-examination of one of the Government's witnesses at the first administrative hearing. Through inadvertence there were omitted from the printed record the Report and Recommendations of the Examiner, Appellees' Exceptions to the Examiner's Report, and the letter dated May 3, 1938, written by the Secretary of Agriculture to the New York Times. By agreement of the parties the omitted material is reproduced herein.

EXHIBIT NO. 1—STATEMENT NO. 1

B. A. I. Docket No. 311, Secretary's Order of June 14, 1933

Comparing the revenue yield of rates prescribed in order of June 14, 1933, and those set forth in preceding tariffs Nos. 2 and 3, respectively, as reflected by applying the respective rates to transactions actually handled throughout the year 1931 by 57 agencies active at end of 1931

CATTLE AND CALVES

Agency No.	Number of head embraced in test	Gross revenue yield of—			Reduction effected by order of June 14, 1933*			
		Tariff No. 2	Tariff No. 3	Order June 14, 1933	Tariff No. 2	Percent	Tariff No. 3	Percent
1								
4	32, 979	$19, 188. 55	$18, 211. 10	$15, 388. 80	$3, 799. 75	19. 80	$2, 822. 30	15. 50
5								
6	10, 177	6, 596. 39	6, 055. 26	5, 269. 01	1, 327. 38	20. 12	786. 25	12. 98
7	15, 377	8, 494. 05	8, 434. 20	7, 480. 75	1, 013. 30	11. 93	953. 45	11. 30
9	2, 190	1, 474. 39	1, 336. 95	1, 179. 80	294. 59	19. 98	157. 15	11. 75
12	58, 757	34, 133. 79	32, 121. 80	26, 405. 15	7, 728. 64	22. 64	5, 716. 65	17. 78
13	56, 597	32, 522. 63	31, 009. 80	26, 663. 20	5, 859. 43	18. 02	4, 346. 60	14. 02
14	35, 329	21, 819. 90	20, 521. 25	16, 611. 65	5, 208. 25	23. 87	3, 909. 60	19. 05
15	12, 624	7, 513. 15	7, 185. 05	6, 216. 60	1, 296. 55	17. 26	968. 45	13. 48
16	24, 455	14, 915. 29	13, 867. 80	11, 854. 80	3, 060. 49	20. 52	2, 013. 00	14. 52
17	9, 995	5, 686. 73	5, 511. 40	4, 818. 85	867. 88	15. 26	692. 55	12. 57
18	47, 215	29, 712. 19	27, 877. 25	24, 200. 70	5, 511. 49	18. 55	3, 676. 55	13. 19
19	9, 927	5, 909. 45	5, 652. 45	4, 819. 00	1, 080. 45	18. 31	833. 45	14. 74
20	27, 785	16, 671. 23	15, 492. 85	13, 155. 60	3, 515. 63	21. 09	2, 337. 25	15. 09
23	24, 927	16, 170. 94	15, 01[1. 40	13, 335. 60	2, 835. 34	17. 53	1, 675. 80	11. 16
25	42, 309	26, 601. 29	25, 117. 90	21, 837. 05	4, 764. 24	17. 91	3, 280. 85	13. 06
26	28, 700	15, 517. 02	15, 098. 35	12, 838. 25	2, 678. 77	17. 26	2, 260. 10	14. 97
29	24, 914	14, 481. 60	13, 971. 35	12, 089. 90	2, 391. 70	16. 52	1, 881. 45	13. 47
30	22, 527	13, 930. 01	12, 735. 45	10, 890. 65	3, 039. 36	21. 82	1, 844. 80	14. 49
33	1, 306	774. 70	738. 95	621. 50	153. 20	19. 78	117. 45	15. 89
34	27, 161	16, 783. 12	15, 697. 30	13, 850. 70	2, 932. 42	17. 47	1, 836. 60	11. 71
35	55, 606	33, 700. 79	30, 598. 55	25, 904. 60	7, 706. 19	22. 87	4, 603. 95	15. 04
37	2, 101	1, 101. 50	1, 082. 95	956. 65	144. 85	13. 15	126. 30	11. 66
42	58, 657	33, 042. 08	31, 353. 70	25, 686. 85	7. 355. 23	22. 27	5, 666. 85	18. 07
43								
44	6	3. 30	3. 85	3. 85	55	16. 67		
46	99, 151	60, 255. 76	55, 912. 04	48, 441. 39	11, 814. 37	19. 61	7, 470. 65	13. 36
48	36, 224	23, 509. 43	21, 749. 70	18, 786. 55	4, 812. 88	20. 39	2, 963. 15	13. 62
51	19, 992	10, 417. 49	10, 469. 10	9, 277. 50	1, 139. 99	10. 94	1, 191. 60	11. 38
52	18, 357	10, 888. 11	10, 312. 10	8, 923. 45	1, 964. 66	18. 04	1, 388. 65	13. 47
53	27, 110	18, 839. 58	16, 875. 00	15, 031. 50	3, 808. 08	20. 21	1, 843. 50	10. 92
54	118, 497	71, 096. 79	64, 558. 95	53, 997. 50	17, 099. 29	24. 05	10, 561. 45	16. 36
55	33, 493	22, 155. 06	20, 134. 35	17, 531. 15	4, 623. 91	20. 87	2, 603. 20	12. 93
56	28, 721	18, 466. 35	16, 175. 55	13, 438. 85	5, 028. 00	27. 23	2, 736. 80	16. 92
59	138, 747	82, 456. 67	75, 395. 00	64, 889. 75	17, 566. 92	21. 30	10, 505. 25	13. 93
60	14, 740	9, 163. 42	9, 005. 10	7, 740. 00	1, 415. 42	15. 45	1, 257. 10	13. 96
61	10, 493	5, 085. 56	4, 910. 75	4, 414. 40	671. 16	13. 20	496. 35	10. 11
62	28, 277	17, 130. 78	16, 214. 05	13, 859. 45	3, 271. 33	18. 51	2, 354. 60	14. 52
63	87, 518	54, 024. 12	49, 755. 85	42, 130. 55	11, 893. 57	22. 02	7, 625. 30	15. 33
65	36, 362	21, 807. 47	20, 261. 60	17, 578. 75	4, 228. 72	19. 39	2, 682. 85	13. 24
66	1, 631	1, 069. 75	972. 60	848. 50	221. 25	20. 68	124. 10	12. 76

*All figures in the four columns under this caption were red in the original.

EXHIBIT No. 1—STATEMENT No. 1—Continued

B. A. I. Docket No. 311, Secretary's Order of June 14, 1933—Contd.

Comparing the revenue yield of rates prescribed in order of June 14, 1933, and those set forth in preceding tariffs Nos. 2 and 3, respectively, as reflected by applying the respective rates to transactions actually handled throughout the year 1931 by 57 agencies active at end of 1931—Contd.

CATTLE AND CALVES—Continued

Agency No.	Number of head embraced in test	Gross revenue yield of—			Reduction effected by order of June 14, 1933*			
		Tariff No. 2	Tariff No. 3	Order June 14, 1933	Tariff No. 2	Percent	Tariff No. 3	Percent
67	372	$222.10	$223.55	$195.50	$26.60	11.98	$28.05	12.55
70	32,932	20,048.68	18,742.40	16,259.75	3,788.93	18.90	2,482.65	13.25
71	54,253	33,777.72	29,926.90	25,725.85	8,051.87	23.84	4,201.05	14.04
72	1,930	1,217.80	1,068.80	916.85	300.95	24.71	171.95	15.79
73	75,207	43,784.58	40,292.20	33,592.60	10,191.98	23.28	6,699.60	16.63
74	6,709	4,400.01	4,094.25	3,553.25	846.76	19.24	541.00	13.21
75	20,183	12,287.93	11,338.05	9,629.00	2,658.93	21.64	1,709.05	15.07
76	7,725	4,806.09	4,647.30	4,093.10	712.99	14.84	554.20	11.93
77	21,397	12,299.87	11,542.15	9,888.65	2,411.22	19.63	1,653.50	14.33
78	6,776	4,340.12	4,017.15	3,474.50	865.62	19.94	542.65	13.51
79	9,599	5,874.80	5,428.00	4,716.20	1,158.60	19.72	711.80	13.11
82	94,396	56,354.80	50,301.65	42,183.55	14,171.25	25.15	8,118.10	16.14
83	46,126	30,013.25	26,373.35	22,286.25	7,727.00	25.75	4,087.10	15.50
84	58,255	35,987.11	32,408.65	27,931.75	8,055.36	22.38	4,476.90	13.81
87	953	556.00	482.35	406.75	149.25	26.84	75.60	15.67
Total 57	1,765,747	1,009,161.79	988,285.50	843,920.35	225,241.44	21.06	144,365.15	14.61
Average per head (cents)		80.55	55.97	47.79	12.76		8.18	

SWINE

1								
4	8,654	$1,639.66	$1,488.80	$1,363.58	$276.08	16.84	$95.22	6.53
5								
6	7,749	2,128.79	1,787.15	1,712.20	416.59	19.57	44.93	2.56
7	36,623	10,326.96	8,700.90	8,728.65	1,598.31	15.48	27.75	.32
9	12,057	3,039.87	2,678.10	2,629.32	410.55	13.51	48.78	1.82
12	27,615	6,847.07	5,705.15	5,594.14	1,252.93	18.30	111.01	1.95
13	40,719	10,369.34	8,743.45	8,528.38	2,140.96	20.07	215.07	2.46
14	27,792	6,260.24	5,309.70	5,280.88	979.36	15.64	28.82	.54
15	20,205	5,558.90	4,715.60	4,682.43	876.47	15.77	33.17	.70
16	7,826	2,196.14	1,837.90	1,835.04	361.10	16.44	2.86	.16
17	6,148	1,649.94	1,383.95	1,397.63	252.31	15.29	13.68	.99
18	10,810	2,511.70	2,165.05	2,037.49	474.21	18.88	127.56	5.89
19	3,229	818.30	670.25	652.51	165.79	20.26	17.74	2.65
20	3,511	845.75	749.05	719.63	126.12	14.91	29.42	3.93
23	1,811	510.75	424.55	419.68	91.07	17.73	4.87	1.15
25	15,307	4,190.16	3,546.70	3,511.13	679.03	16.21	35.57	1.00
26	20,091	5,033.82	4,316.45	4,203.17	740.65	14.71	23.28	.54

*All figures in the four columns under this caption were red in the original, except those in bold face type.

EXHIBIT No. 1—STATEMENT No. 1—Continued

B. A. I. Docket No. 311; Secretary's Order of June 14, 1933—Contd.

***Comparing the revenue yield of rates prescribed in order of June 14, 1933, and those set forth in preceding tariffs Nos. 2 and 3, respectively, as reflected by applying the respective rates to transactions actually handled throughout the year 1931 by 57 agencies active at end of 1931*—Contd.**

SWINE—Continued

Agency No.	Number of head embraced in test	Gross revenue yield of—			Reduction effected by order of June 14, 1933*			
		Tariff No. 2	Tariff No. 3	Order June 14, 1933	Tariff No. 2	Percent	Tariff No. 3	Percent
29	12,426	$3,008.79	$2,550.50	$2,520.96	$487.83	16.21	$29.54	1.16
30	3,318	1,018.66	784.70	780.40	238.26	23.39	4.30	.55
33	1,790	474.90	408.10	396.00	78.90	16.61	12.10	2.96
34	10,996	2,757.34	2,241.95	2,108.75	648.59	23.52	133.20	5.94
35	11,591	3,149.18	2,674.95	2,642.28	506.90	16.10	32.67	1.22
37	35	10.55	8.85	8.85	1.70	16.11	------	------
42	10,738	2,839.92	2,383.15	2,329.96	509.96	17.96	53.19	2.23
43	------	------	------	------	------	------	------	------
44	5	1.45	1.25	1.25	.20	13.79	------	------
46	33,425	8,340.33	6,957.90	6,721.87	1,618.46	19.41	236.03	3.39
48	5,712	1,425.50	1,241.65	1,192.90	232.60	16.32	48.75	3.93
51	122,624	36,388.32	30,073.83	30,360.04	6,028.28	16.57	286.21	.95
52	6,309	1,656.08	1,417.95	1,403.91	252.17	15.23	14.04	.99
53	16,881	4,719.55	3,627.90	3,484.03	1,235.52	26.18	143.87	3.97
54	23,754	5,799.30	4,686.65	4,484.70	1,314.60	22.67	201.95	4.31
55	6,245	1,440.59	1,226.60	1,172.33	268.26	22.88	54.27	4.42
56	7,529	1,889.93	1,579.40	1,522.63	367.30	19.43	56.77	3.59
59	62,403	15,767.43	12,950.20	12,573.35	3,184.08	20.21	376.85	2.91
60	19,642	5,592.28	4,727.60	4,724.76	867.52	15.51	2.84	.06
61	8,481	1,956.76	1,704.10	1,690.21	266.54	13.62	13.89	.82
62	15,506	4,284.75	3,631.80	3,552.60	632.16	14.75	20.80	.57
63	117,240	25,314.21	22,054.65	20,658.20	4,656.01	18.39	1,396.45	6.33
65	7,204	1,855.65	1,492.75	1,376.36	479.29	25.83	116.39	7.80
66	806	237.75	203.70	205.38	32.37	13.62	1.68	.82
67	5,911	1,734.95	1,456.55	1,455.15	279.80	16.13	1.40	.10
70	13,179	3,274.16	2,764.15	2,650.58	623.58	19.05	113.52	4.11
71	19,509	4,878.10	4,075.30	3,860.00	1,018.10	20.87	215.30	5.28
72	1,046	252.60	223.05	214.13	38.47	15.23	8.92	4.00
73	18,952	4,308.00	3,750.15	3,322.24	985.76	22.88	427.91	11.41
74	4,581	672.25	572.60	559.93	112.32	16.71	12.67	2.21
75	5,145	1,359.38	1,113.10	1,130.39	228.99	16.85	17.29	1.55
76	7,866	2,030.66	1,733.85	1,664.96	365.70	18.01	68.89	3.97
77	9,155	2,219.95	1,843.20	1,747.10	472.85	21.30	96.10	5.21
78	3,098	706.22	614.40	560.75	145.47	20.60	53.65	8.73
79	2,802	750.20	634.80	615.01	135.19	18.08	19.79	3.12
82	30,721	7,664.69	6,450.35	5,168.83	1,495.86	19.52	281.52	4.36
83	3,782	970.42	832.75	802.35	168.07	17.32	30.40	3.65
84	8,876	2,256.98	1,905.25	1,859.77	397.21	17.60	45.48	2.39
87	217	58.15	50.30	56.88	1.27	2.18	6.58	13.08
Total 57	887,799	227,283.32	190,812.63	186,065.65	41,217.67	18.13	4,746.98	2.49
Average per head (cents)	------	25.60	21.49	20.96	4.64	------	.53	------

*Indicates red figures in original, except for figures shown in bold face type.

EXHIBIT No. 1—STATEMENT No. 1—Continued

B. A. I. Docket No. 311, Secretary's Order of June 14, 1933—Contd.

Comparing the revenue yield of rates prescribed in order of June 14, 1933, and those set forth in preceding tariffs Nos. 2 and 3, respectively, as reflected by applying the respective rates to transactions actually handled throughout the year 1931 by 57 agencies active at end of 1931—Contd.

SHEEP

Agency No.	Number of head embraced in test	Gross revenue yield of—			Reduction effected by order of June 14, 1933*			
		Tariff No. 2	Tariff No. 3	Order June 14, 1933	Tariff No. 2	Percent	Tariff No. 3	Percent
1	28,006	$2,393.75	$2,140.64	$1,849.70	$544.05	22.94	$290.94	13.59
4	1,131	119.95	111.03	94.22	25.73	21.45	16.81	15.14
5	210,823	17,819.07	16,224.22	13,966.80	3,852.27	21.62	2,257.42	13.91
6	1,174	295.59	260.45	229.10	66.49	22.49	31.35	12.04
7	1,261	295.00	283.90	266.46	28.54	9.67	17.44	6.14
9	597	152.78	140.20	131.85	20.90	13.68	8.35	5.96
11								
12	2,125	414.60	369.18	336.67	77.93	18.80	32.51	8.81
13	5,871	1,155.10	1,024.15	927.66	227.44	19.69	96.49	9.42
14	5,758	1,047.38	970.85	899.18	148.20	14.15	71.67	7.38
15	3,948	686.49	638.73	583.32	103.17	15.03	55.41	8.68
16	360	90.00	86.05	80.55	9.45	10.50	5.50	6.39
17	439	109.75	100.30	89.25	20.50	18.68	11.05	11.02
18	2,707	273.40	242.39	229.11	44.29	16.20	13.28	5.48
19	741	146.90	138.37	124.33	22.57	15.36	14.04	10.15
20	511	104.75	95.13	88.50	16.25	15.51	6.63	6.97
23	870	131.75	120.85	109.67	22.08	16.76	11.18	9.25
25	3,289	571.09	520.62	462.79	108.30	18.96	57.83	11.11
26	2,392	442.70	400.22	365.52	77.18	17.43	34.70	8.67
29	765	191.15	173.79	157.30	33.85	17.71	16.49	9.49
30	533	133.20	127.75	119.20	14.00	10.51	8.55	6.69
33	740	172.30	158.00	154.30	18.00	10.45	3.70	2.24
34	220	54.65	50.95	46.65	8.00	14.64	4.30	8.44
35	40,775	5,233.60	4,811.62	4,303.28	930.32	17.78	508.34	10.56
37	291	76.10	70.40	66.70	9.40	12.35	3.70	5.26
42	1,751	262.25	230.33	212.85	49.40	18.84	17.48	7.59
43	116,313	15,186.87	13,874.62	12,340.29	2,846.58	18.74	1,534.33	11.06
44	247,605	27,266.24	23,499.18	21,037.93	6,228.31	22.84	2,461.25	10.47
46	6,712	1,225.47	1,098.88	978.42	247.05	20.16	120.46	10.96
48	400	82.55	80.27	75.15	7.40	8.96	5.12	6.38
51	5,884	1,359.47	1,283.71	1,172.75	186.72	13.73	110.96	8.64
52	4,167	708.05	675.79	623.36	84.69	11.96	52.43	7.76
53	710	132.30	125.90	118.11	14.19	10.73	7.79	6.19
54	589,600	46,379.22	41,399.54	35,881.56	10,497.66	22.63	5,517.98	13.33
55	396	48.70	45.10	44.11	4.59	9.43	.99	2.20
56	4,915	464.70	418.86	357.23	107.47	23.13	61.63	14.71
59	188,901	16,432.66	14,789.49	12,870.53	3,562.13	21.66	1,918.96	12.98
60	737	188.85	172.75	154.65	34.20	18.11	18.10	10.48
61	892	190.37	180.46	170.75	19.62	10.31	9.71	5.38
62	3,044	689.14	659.64	609.02	80.12	11.63	50.62	7.67

*All figures under this caption were red in the original.

EXHIBIT No. 1—STATEMENT No. 1—Continued

B. A. I. Docket No. 311, Secretary's Order of June 14, 1933—Contd.

Comparing the revenue yield of rates prescribed in order of June 14, 1933, and those set forth in preceding tariffs Nos. 2 and 3, respectively, as reflected by applying the respective rates to transactions actually handled throughout the year 1931 by 57 agencies active at end of 1931—Contd.

SHEEP

Agency No.	Number of head embraced in test	Gross revenue yield of—			Reduction effected by order of June 14, 1933*			
		Tariff No. 2	Tariff No. 3	Order June 14, 1933	Tariff No. 2	Percent	Tariff No. 3	Percent
63	24,471	$4,077.79	$3,765.64	$3,423.95	$653.84	16.03	$341.69	9.07
65	1,183	213.33	198.34	175.31	38.02	17.82	23.03	11.61
66	382	93.45	86.51	78.50	14.95	16.00	8.01	9.26
67	500	123.40	117.35	106.05	15.35	12.44	9.30	7.93
70	2,443	503.35	438.67	391.51	111.84	22.22	47.16	10.75
71	1,429	305.65	277.50	251.15	54.50	17.83	26.35	9.50
72	45	11.25	10.85	10.15	1.10	9.78	.70	6.45
73	3,819	397.70	372.05	336.25	61.45	15.45	35.80	9.62
74	285	71.25	64.40	57.40	13.85	19.44	7.00	10.47
75	2,494	328.17	302.87	273.06	55.11	16.79	29.81	9.84
76	1,355	224.45	211.51	189.33	35.12	15.65	22.18	10.49
77	1,288	226.35	209.43	193.47	32.88	14.53	15.96	7.62
78	3,565	583.93	544.82	500.98	82.95	14.21	43.84	8.05
79	2,201	334.16	275.04	248.70	85.46	25.57	26.34	9.58
82	1,993	366.22	344.34	322.72	43.50	11.88	21.62	6.28
86	3,091	623.90	556.54	515.75	108.15	17.33	40.79	7.33
84	98,990	7,655.71	7,257.59	6,426.09	1,229.62	16.06	831.50	11.46
87	92,061	7,721.92	7,137.39	6,290.32	1,431.60	18.54	847.07	11.87
Total, 57	1,608,347	166,589.84	149,965.15	132,121.51	34,468.33	20.69	17,843.64	11.90
Average per head (cents)		9.81	8.83	7.78	2.03		1.05	

TOTAL—ALL SPECIES

1		$2,393.75	$2,140.64	$1,849.70	$544.05	22.73	$290.94	13.59
4		20,948.16	19,780.93	16,846.60	4,101.56	19.57	2,934.33	14.83
5		17,819.07	16,224.22	13,966.80	3,852.27	21.62	2,257.42	13.91
6		9,020.77	8,072.86	7,210.31	1,810.46	20.07	862.55	10.68
7		19,116.01	17,419.00	16,475.86	2,640.15	13.81	943.14	5.41
9		4,667.01	4,155.25	3,940.97	726.04	15.56	214.28	5.16
11								
12		41,395.46	38,196.13	32,335.96	9,059.50	21.89	5,860.17	15.34
13		44,347.07	41,777.40	36,119.24	8,227.83	18.55	4,658.16	11.42
14		29,127.52	26,801.80	22,791.71	6,335.81	21.75	4,010.09	14.96
15		13,758.54	12,539.38	11,482.35	2,276.19	16.54	1,057.03	8.43
16		17,201.43	15,791.75	13,770.39	3,431.04	19.95	2,021.36	12.80
17		7,446.42	6,995.65	6,305.73	1,140.69	15.32	689.92	9.86
18		32,497.29	30,284.69	26,467.30	6,029.99	18.56	3,817.39	12.61
19		6,364.65	6,461.07	5,595.84	1,268.81	18.48	865.23	13.39
20		17,621.73	16,337.03	13,963.73	3,658.00	20.76	2,373.30	14.53
23		16,813.44	15,556.80	13,864.95	2,948.49	17.54	1,691.85	10.88
25		31,362.54	29,185.22	25,810.97	5,551.57	17.70	3,374.25	11.56
26		20,993.54	19,815.02	17,496.94	3,496.60	16.66	2,318.08	11.70

*All figures under this caption were red in the original.

EXHIBIT No. 1—STATEMENT No. 1—Continued

B. A. I. Docket No. 311, Secretary's Order of June 14, 1933—Contd.

Comparing the revenue yield of rates prescribed in order of June 14, 1933, and those set forth in preceding tariffs Nos. 2 and 3, respectively, as reflected by applying the respective rates to transactions actually handled throughout the year 1931 by 57 agencies active at end of 1931—Contd.

SHEEP—Continued

Agency No.	Number of head embraced in test	Gross revenue yield of—			Reduction effected by order of June 14, 1933*			
		Tariff No. 2	Tariff No. 3	Order of June 14, 1933	Tariff No. 2	Percent	Tariff No. 3	Percent
29		$17,681.54	$16,695.64	$14,768.16	$2,913.38	16.48	$1,927.48	11.54
30		15,081.87	13,647.90	11,790.25	3,291.62	21.83	1,857.65	13.61
33		1,421.90	1,305.05	1,171.80	250.10	17.59	133.25	10.21
34		19,595.11	17,980.20	16,006.10	3,589.01	18.32	1,974.10	10.98
35		42,083.57	38,085.12	32,940.16	9,143.41	21.73	5,144.96	13.51
37		1,188.15	1,162.20	1,032.20	155.95	13.13	130.00	11.19
42		36,144.25	33,967.18	28,229.66	7,914.59	21.90	5,737.52	16.89
43		15,186.87	13,874.62	12,340.29	2,846.58	18.74	1,534.33	11.06
44		27,270.99	23,504.28	21,043.03	6,227.96	22.84	2,461.25	10.47
46		69,821.56	63,968.82	56,141.68	13,679.88	19.59	7,827.14	12.24
48		25,107.48	23,071.62	20,054.60	5,052.88	20.13	3,017.02	13.08
51		48,165.28	41,826.64	40,810.29	7,354.99	15.27	1,016.35	2.43
52		13,252.24	12,405.84	10,950.72	2,301.52	17.37	1,455.12	11.73
53		23,691.43	20,628.80	18,633.64	5,057.79	21.35	1,995.16	9.67
54		123,275.31	110,645.14	94,363.76	28,911.55	23.45	16,281.38	14.71
55		23,644.35	21,406.05	18,747.59	4,896.76	20.71	2,658.46	12.42
56		20,821.48	18,173.91	15,318.71	5,502.77	26.43	2,855.20	15.71
59		114,646.76	103,134.69	90,333.63	24,313.13	21.21	12,801.06	12.41
60		14,944.55	13,905.45	12,627.41	2,317.14	15.50	1,278.04	9.19
61		7,232.68	6,795.31	6,275.36	957.32	13.22	519.95	7.64
62		22,104.68	20,505.49	18,121.67	3,983.61	18.02	2,384.42	11.63
63		83,416.12	75,576.14	66,212.70	17,203.42	20.62	9,363.44	12.39
65		23,876.45	21,952.69	19,130.42	4,746.03	19.88	2,822.27	12.86
66		1,400.95	1,262.81	1,132.38	268.57	19.17	130.43	10.33
67		2,080.45	1,797.45	1,758.70	321.75	15.47	38.75	2.16
70		23,826.19	21,945.17	19,301.84	4,524.35	18.99	2,643.33	12.05
71		38,961.47	34,279.70	29,837.00	9,124.47	23.42	4,442.70	12.96
72		1,481.65	1,322.70	1,141.13	340.52	22.97	181.57	13.73
73		48,490.28	44,414.40	37,251.09	11,239.19	23.18	7,163.31	16.13
74		5,143.51	4,731.25	4,170.58	972.93	18.92	560.67	11.85
75		13,975.48	12,754.02	11,032.45	2,943.03	21.06	1,721.57	13.50
76		7,061.20	6,592.66	5,947.39	1,113.81	15.77	645.27	9.79
77		14,746.17	13,594.78	11,829.22	2,916.95	19.80	1,765.56	13.01
78		5,630.27	5,176.37	4,536.23	1,094.04	19.43	640.14	12.37
79		6,959.16	6,337.84	5,579.91	1,379.25	19.82	757.93	11.96
82		64,385.71	57,096.34	48,675.10	15,710.61	24.40	8,421.24	14.75
83		31,607.57	27,762.64	23,604.35	8,003.22	25.32	4,158.29	14.98
84		45,899.30	41,571.49	36,217.61	9,682.19	21.09	5,353.88	12.88
87		8,336.07	7,670.04	6,753.95	1,582.12	18.98	916.09	11.94
Total, 57		1,463,034.95	1,329,063.28	1,162,107.51	300,927.44	20.57	166,955.77	12.56
Average per head (cents)								

*All figures under this caption were red in the original.

PETITIONERS' EXHIBIT NO. 2—WITNESS: ROBERTS, J. W.

Analysis of selling commission revenue derived from application of secretary's order (June 14, 1935) schedule of rates to 1931 volume of petitioner agencies (Kansas City market)

Firm No.	Revenue from head charges				Revenue from extra charges				Head charge and extra charge revenue together	Revenue from seconds (unchanged since same rates apply)	Total revenue all cattle
	Calves	Yearlings	Cattle	Total head revenue	Drafts	A/C sales	Checks	Total extra charge revenue			
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1											
4	$674.05	$5,170.40	$8,115.30	$13,959.75	$496.05	$12.55	$13.95	$522.55	$14,482.30	$906.50	$15,388.80
6	496.50	1,485.45	3,002.20	4,984.15	225.71	4.35	24.00	254.06	5,238.21	30.80	5,269.01
7	1,065.90	2,108.90	3,272.00	6,466.80	138.00	1.80	99.85	239.65	6,706.45	774.30	7,480.75
9	105.80	299.00	745.70	1,150.50	8.10	.40	11.90	20.40	1,170.90	8.90	1,179.80
12	1,533.60	8,897.70	13,907.60	24,638.90	788.10	33.65	105.10	926.85	25,565.75	839.40	26,405.15
13	2,452.40	7,089.25	13,875.90	24,017.55	991.05	22.25	85.80	1,099.10	25,116.65	1,546.55	26,663.20
14	1,380.65	5,831.95	8,768.90	15,651.50	589.00	22.60	104.75	726.35	16,377.85	233.80	16,611.65
15	792.00	2,304.60	2,786.50	5,723.10	226.95	4.40	60.95	292.30	6,025.40	191.20	6,216.60
16	996.45	3,652.50	6,618.10	11,267.05	356.55	16.45	77.55	450.55	11,717.60	137.20	11,854.80
17	499.85	1,329.95	2,355.50	4,185.30	125.70	5.85	40.00	171.55	4,356.85	462.00	4,818.85
18	846.20	6,867.80	14,496.20	22,206.20	909.00	20.95	40.65	970.60	23,178.80	1,021.90	24,200.70
19	272.75	1,567.00	2,634.70	4,474.45	159.30	4.60	16.65	180.55	4,655.00	164.00	4,819.00
20	895.90	3,788.50	7,740.40	12,424.80	424.80	13.75	26.60	465.15	12,889.95	265.65	13,155.60
23	1,033.45	2,795.90	9,138.20	12,967.55	287.35	5.65	75.05	368.05	13,335.60	----------	13,335.60
25	908.05	5,417.30	14,554.00	20,879.35	574.20	21.55	36.80	632.55	21,511.90	325.15	21,837.05
26	966.55	4,500.45	5,252.30	10,719.30	468.15	12.90	66.10	544.15	11,263.45	1,574.80	12,838.25
29	763.80	3,840.75	5,956.40	10,560.95	530.75	24.05	42.55	597.35	11,158.30	931.60	12,089.90

30	422.10	2,590.90	7,422.10	10,444.10	214.80	4.40	27.50	246.70	10,690.80	199.85	10,890.65
33	74.70	252.30	266.30	595.30	24.45	.80	.95	26.20	621.50	----------	621.50
34	545.00	2,633.15	9,461.90	12,640.05	299.85	8.55	10.75	319.15	12,959.20	891.50	13,850.70
35	962.85	6,428.35	15,979.30	23,370.50	544.70	23.15	64.40	632.25	24,002.75	1,991.85	25,994.60
37	69.90	305.55	311.40	686.85	51.60	.80	.90	53.30	740.15	216.50	956.65
42	2,106.00	10,719.20	10,849.80	23,675.00	1,191.15	29.45	99.20	1,319.80	24,994.80	692.05	25,686.85
43	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------
44	1.20	.80	1.60	3.60	----------	----------	.25	.25	3.85	----------	3.85
46	2,281.65	11,178.55	20,993.80	43,454.00	1,278.89	41.10	150.20	1,470.19	44,924.19	3,517.20	48,441.39
48	1,031.40	5,848.45	10,804.60	17,684.45	863.10	10.30	42.35	915.75	18,600.20	186.35	18,786.55
51	3,254.55	2,857.20	2,769.50	8,881.25	122.55	4.40	269.30	396.25	9,277.50	----------	9,277.50
52	537.55	2,838.65	4,313.00	7,679.20	301.05	13.60	47.55	362.20	8,041.40	882.05	8,923.45
53	503.80	3,408.15	10,343.60	14,255.55	465.50	28.30	49.75	543.55	14,799.10	232.40	15,031.50
54	2,361.40	15,032.40	34,375.60	51,769.40	985.65	37.40	82.20	1,105.25	52,874.65	1,122.85	53,997.50
55	651.30	4,361.20	11,825.20	16,837.70	607.95	31.75	27.70	667.40	17,505.10	26.05	17,531.15
56	335.00	4,127.00	8,738.10	13,200.10	204.00	8.85	9.80	222.65	13,422.75	16.10	13,438.85
59	3,436.40	14,461.40	41,325.50	59,215.30	1,057.05	22.10	160.60	1,239.15	60,454.45	4,435.30	64,889.75
60	517.55	2,636.55	4,312.60	7,466.70	211.15	2.95	61.40	275.50	7,742.20	5.80	7,748.00
61	1,396.55	875.70	1,546.10	3,818.35	82.05	.80	19.80	102.65	3,921.00	493.40	4,414.40
62	1,233.05	5,000.40	6,572.60	12,806.05	448.05	16.60	108.85	573.50	13,379.55	479.90	13,859.45
63	2,300.20	13,135.55	24,673.70	40,109.45	869.45	20.25	157.70	1,047.40	41,156.85	973.70	42,130.55
65	1,244.60	4,982.40	9,344.00	15,571.00	607.80	.40	48.60	716.80	16,287.80	1,290.95	17,578.75
66	95.30	250.15	477.90	823.35	22.80	.70	.95	24.45	847.80	.70	843.50
67	89.25	70.85	70.40	189.50	3.00	.15	2.85	6.00	195.50	----------	195.50
70	1,079.80	5,451.45	7,925.90	14,457.15	863.60	12.80	58.95	935.35	15,392.50	867.25	16,259.75
71	1,346.70	5,979.35	16,379.80	23,705.85	442.35	17.10	45.85	505.30	24,111.15	1,614.70	25,725.85
72	74.00	361.05	428.10	863.15	32.25	.90	3.75	36.90	900.05	16.80	916.85
73	1,650.90	10,149.30	18,726.00	30,526.20	853.05	28.55	35.50	917.10	31,443.30	2,149.30	33,592.60
74	146.35	1,097.35	2,106.90	3,350.60	105.30	4.40	12.90	122.60	3,473.20	80.05	3,553.25
75	647.45	2,818.55	5,737.90	9,203.90	151.95	7.85	14.20	174.00	9,377.90	251.10	9,629.00
76	506.30	1,196.25	2,233.40	3,935.95	86.25	3.40	50.55	140.20	4,076.15	16.95	4,093.10
77	635.35	2,376.10	5,636.00	8,647.45	281.55	9.40	26.75	317.70	8,965.15	923.50	9,888.65
78	194.75	1,062.20	2,017.90	3,294.85	101.10	.75	10.45	112.30	3,407.15	67.35	3,474.50
79	443.70	1,531.60	2,151.00	4,126.30	321.60	7.10	23.90	352.60	4,478.90	237.30	4,716.20

PETITIONERS' EXHIBIT No. 2—WITNESS: ROBERTS, J. W.—Continued

Analysis of selling commission revenue derived from application of secretary's order (June 14, 1933) schedule of rates to 1931 volume of petitioner agencies (Kansas City market)—Continued

Firm No.	Revenue from head charges				Revenue from extra charges				Head charge and extra charge revenue together	Revenue from seconds (unchanged since same rates apply)	Total revenue all cattle
	Calves	Yearlings	Cattle	Total head revenue	Drafts	A/C sales	Checks	Total extra charge revenue			
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
82	$2,738.45	$13,780.80	$21,360.80	$37,880.05	$1,231.80	$50.75	$100.85	$1,383.40	$39,263.45	$2,920.10	$42,183.55
83	956.95	6,902.80	13,014.50	20,874.25	737.70	30.90	42.25	810.85	21,685.10	601.15	22,286.25
84	1,179.85	5,024.00	20,821.50	27,025.35	298.80	13.05	86.05	397.90	27,423.25	508.50	27,931.75
87	85.15	103.15	203.80	392.10	7.95	.40	6.30	14.65	406.75	.....	406.75
Totals	52,951.90	239,004.20	487,693.00	779,649.10	23,327.60	731.90	2,889.45	26,948.95	806,598.05	37,322.30	843,920.35
Comparable revenue under tariff #3	65,538.95	337,439.80	521,035.50	924,014.25	23,327.60	731.90	2,889.45	26,948.95	950,963.20	37,322.30	988,285.50
Reduction effected by secretary's order	[1] 12,587.05	[1] 98,435.60	[1] 33,342.50	[1] 144,365.15	None	None	None	None	[1] 144,365.15	None	[1] 144,365.15
Percent of reduction	[1] 19.21	[1] 29.17	[1] 6.40	[1] 15.62	.....	.....	.....	.....	[1] 15.18	.....	[1] 14.61

[1] These figures were red in the original.

PETITIONERS' EXHIBIT NO. 3—WITNESS: ROBERTS, J. W.

Comparison of gross selling and buying commission revenues [1] first five months, years 1932 and 1933, as per showing by agencies' books (all species)

Agency No.	1932 vs. 1933—First 5 months each year								
	All selling service			All buying service			Selling and buying together		
	1932	1933	1933 shrink	1932	1933	1933 gain	1932	1933	1933 shrink
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
1	$346.37	$328.42							
4	7,581.73	6,793.65		$447.45	$170.15				
5	7,625.87	1,773.18		123.25	56.20				
6	3,712.65	3,284.91		216.80	118.45				
12	13,908.04	11,365.72		666.80	841.55				
13	16,966.73	14,309.14		1,018.00	1,146.14				
14	12,461.99	9,281.94		1,074.80	793.48				
15	5,087.55	5,040.40		169.40	150.80				
16	5,230.40	4,908.40		467.85	342.60				
17	2,694.30	2,270.85		205.10	367.10				
18	11,825.70	10,747.80		634.00	619.10				
20	5,600.00	6,114.50		535.00	646.50				
23	7,563.95	3,828.46		2,055.00	645.00				
25	16,569.21	11,942.72		1,826.34	2,167.90				
26	9,225.66	8,528.78		383.30	203.05				
29	6,226.30	3,627.02		234.20	105.05				
33	492.00	560.49							

[1] Compiled from special report made by respective agencies.

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PETITIONERS' EXHIBIT NO. 3—WITNESS: ROBERTS, J. W.—Continued

Comparison of gross selling and buying commission revenues first five months, years 1932 and 1933, as per showing by agencies' books (all species)—Continued

Agency No.	1932 vs. 1933—First 5 months each year								
	All selling service			All buying service			Selling and buying together		
	1932	1933	1933 shrink	1932	1933	1933 gain	1932	1933	1933 shrink
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
34	$8, 221. 20	$8, 029. 05		$2, 625. 90	$1, 087. 30				
35	8, 793. 25	6, 477. 78		806. 10	461. 35				
42	12, 484. 19	10, 238. 20		1, 105. 48	1, 459. 45				
43	5, 305. 63	3, 740. 54							
44	9, 695. 44	8, 465. 76		176. 75	302. 60				
46	[1] 22, 514. 89	[1] 19, 201. 27		6, 667. 50	5, 162. 34				
48	9, 479. 10	7, 245. 95		1, 001. 10	952. 15				
51	25, 519. 31	19, 721. 31		160. 00	122. 00				
53	11, 470. 58	8, 977. 64		207. 30	71. 50				
54	41, 884. 00	35, 419. 64		5, 156. 80	8, 043. 25				
55	15, 027. 74	12, 242. 34		1, 089. 30	1, 680. 60				
59	44, 396. 35	36, 495. 50		1, 421. 70	3, 087. 30				
60	7, 638. 62	6, 096. 35		370. 90	555. 30				
61	2, 555. 49	2, 905. 15		101. 80	32. 25				
62	8, 890. 03	7, 590. 35		359. 85	455. 22				
63	33, 534. 96	26, 808. 93		6, 243. 95	9, 391. 25				
65	8, 665. 50	7, 283. 57		718. 95	628. 20				
66	449. 45	504. 20		246. 60	229. 00				

70	8,963.60	7,672.22		414.25	1,020.73				
71	14,043.99	12,145.68		1,373.40	1,812.14				
72	(1)	(1)		(1)	(1)				
73	15,821.05	12,507.34		1,031.32	1,119.15				
75	3,951.20	3,959.10		346.70	490.75				
76	2,746.38	2,261.57		627.25	416.05				
77	4,129.25	2,753.75		289.28	195.80				
78	2,738.80	2,010.00		312.30	252.20				
79	3,491.46	3,443.23		266.30	212.60				
82	22,278.43	17,178.84		1,057.70	832.55				
83	13,560.15	10,559.10		747.40	365.75				
84	9,824.89	8,728.16		842.40	197.53				
Total	511,275.41	415,478.90	$95,796.51	45,827.57	49,001.35	$3,173.78	$557,102.98	$464,480.25	$92,622.73
Percent 1933 shrink			18.74			6.93			16.63

[1] Seconds not included.

[2] 1932 not reported. 1933 data not useful and omitted here.

NOTE.—1932 earnings under Tariff No. 2; 1933 earnings under Tariff No. 3.

EXHIBIT NO. 4—STATEMENT NO. 2

B. A. I. Docket No. 311, Order of June 14, 1933

Confiscatory aspect of the prescribed rates, by species, showing net amounts available to compensate owners for services rendered, on basis of Government costs

[Comparative revenue yield of the prescribed rates determined by applying same to the volume handled by individual firms in 1931]

CATTLE AND CALVES

Agency No.	Government costs S. & B. exclusive of return on investment	Less owners compensation as included in government costs	Government costs minus allowance for owners compensation	Number of head S. & B. per government audit	Average revenue per head under prescribed rates	Revenue at June 14, 1933 rates		Net yield available for return on invoice and compensation of owner[2]
						Selling and buying together[1]	Less increased revenue on buying service	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
					Cents			
1								
4	$19,568.33	$423.00	$19,145.33	35,763	46.66	$16,687.02	$16,506.56	*$2,638.77*
5								
6	9,931.77	4,425.00	5,506.77	15,841	51.77	8,200.89	7,847.58	2,340.81
7	9,951.84	4,034.44	5,917.40	15,790	48.65	7,681.84	7,688.34	1,770.94
9	1,798.76	188.71	1,610.05	3,113	53.87	1,676.79	1,606.79	*3.26*
11	1,814.58		1,814.58	1,878	[3] 47.79	897.50	895.26	*919.32*
12	38,901.80		38,901.80	67,947	44.94	30,535.38	30,207.17	*8,694.63*
13	36,663.51	8,601.66	28,061.85	63,945	47.11	30,124.49	29,578.09	1,516.24
14	25,466.62	6,969.97	18,496.65	42,094	47.02	19,792.60	19,427.31	930.66
15	8,861.17	3,725.65	5,135.52	14,983	49.24	7,367.78	7,264.69	2,129.17
16	14,123.71	7,620.00	6,503.71	26,673	48.48	12,931.07	12,611.49	6,107.78
17	6,589.66	3,487.56	3,102.10	11,336	48.21	5,465.09	5,402.45	2,300.35
18	28,086.44	8,915.00	19,171.44	59,107	51.26	30,298.25	29,421.01	10,249.57
19	7,813.07	875.30	6,937.77	12,570	48.54	6,101.48	6,036.66	*901.11*
20	19,478.84	2,850.00	16,628.84	32,320	47.35	15,303.52	14,996.10	*1,632.74*
23	20,889.16	4,143.15	16,746.01	34,942	53.50	18,693.97	17,842.81	1,096.80
25	29,617.72	4,860.00	24,757.72	53,312	51.61	27,514.32	26,341.22	1,583.50
26	15,094.79	3,221.72	11,873.07	30,383	44.73	13,590.32	13,464.96	1,591.89
29	15,207.33	3,949.92	11,257.41	25,581	48.53	12,414.46	12,351.23	1,093.82
30	13,961.84	5,904.30	8,057.54	23,436	48.34	11,328.96	11,200.42	3,232.88
33	958.71	632.42	326.29	1,479	47.59	703.86	724.15	397.86
34	21,474.64	2,160.00	19,314.64	52,225	50.99	26,629.53	22,800.36	3,575.72
35	45,488.86	20,107.23	25,381.63	61,658	46.75	28,825.12	28,518.77	3,137.14
37	1,208.91	633.80	575.11	2,129	45.53	966.15	966.15	391.04
42	36,032.77	13,506.77	22,526.00	67,492	43.79	29,554.75	29,087.53	6,561.53
43	31.25	31.25						
44	90.00		90.00		64.17			*90.00*
46	78,001.76	20,330.88	57,670.88	157,432	48.86	76,921.28	70,625.42	12,354.54
48	23,837.02	9,794.70	14,042.32	42,359	51.86	21,967.38	21,331.40	7,289.08
51	18,699.70	3,894.84	14,804.86	22,495	46.41	10,439.93	10,516.53	*4,288.33*

[1] Includes revenue from seconds at prevailing rates and revenue from buying service at rates prescribed in order of June 14, 1933. Buying revenue reduced to basis of prevailing rates in column h.

[2] Average of all other agencies.

*The figures shown in italics in this column were red in the original.

EXHIBIT NO. 4—STATEMENT NO. 2—Continued

B. A. I. Docket No. 311, Order of June 14, 1933—Continued

Confiscatory aspect of the prescribed rates, by species, showing net amounts available to compensate owners for services rendered, on basis of Government costs—Continued

CATTLE AND CALVES—Continued

Agency No.	Government costs S. & B. exclusive of return on investment	Less owners compensation as included in government costs	Government costs minus allowance for owners compensation	Number of head S. & B. per government audit	Average revenue per head under prescribed rates	Revenue at June 14, 1933 rates		Net yield available for return on invoice and compensation of owner*
						Selling and buying together	Less increased revenue on buying service	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
					Cents			
52	$13,668.96	$3,990.00	$9,678.96	21,690	48.61	$10,543.51	$10,421.57	$742.61
53	25,840.38	14,011.20	11,829.18	28,558	55.45	15,835.41	15,645.70	3,816.52
54	94,747.90	.....	94,747.90	185,312	46.35	85,892.11	82,717.81	*12,030.09*
55	33,826.28	8,832.00	24,994.28	61,113	52.34	31,986.54	30,520.14	5,525.86
56	20,330.78	11,349.73	8,981.05	34,058	46.79	15,935.74	15,781.38	6,800.33
59	85,435.81	12,776.50	72,659.31	164,860	43.77	77,105.02	74,484.65	1,825.34
60	10,688.32	4,428.65	6,259.67	19,205	52.56	10,094.15	9,511.49	3,251.82
61	5,596.48	301.80	5,294.68	10,731	42.07	4,514.53	4,660.07	*634.61*
62	18,726.26	3,582.06	15,144.26	31,539	49.01	15,457.26	15,243.32	99.06
63	78,488.48	20,423.70	58,064.78	128,888	48.14	62,046.68	59,826.26	1,761.48
65	23,934.88	3,555.78	20,379.10	40,303	48.34	19,482.47	19,340.31	*1,038.79*
66	1,764.49	1,033.17	731.32	3,656	52.02	1,901.85	1,714.76	983.44
67	384.80	273.15	111.65	454	52.55	238.58	238.44	126.79
70	23,120.48	3,015.00	20,105.48	38,907	49.37	19,238.01	18,702.00	*1,403.48*
71	42,443.37	12,879.45	29,563.92	62,038	47.42	29,418.42	28,763.73	*800.19*
72	1,161.82	282.67	879.15	2,397	47.51	1,138.81	1,124.74	245.59
73	49,079.27	13,372.50	35,706.77	79,012	44.67	35,294.66	35,264.43	*442.34*
74	6,639.18	2,174.96	4,464.22	8,750	52.96	4,634.00	4,373.97	*90.25*
75	16,040.16	4,224.00	11,816.16	25,113	47.71	11,981.41	11,852.48	36.32
76	6,319.82	2,835.00	3,484.82	9,610	52.99	5,097.11	4,981.91	1,497.09
77	13,728.20	5,775.00	7,953.20	23,436	46.22	10,832.12	10,830.68	2,877.48
78	6,099.72	225.35	5,874.37	10,819	51.28	5,547.98	5,321.00	*553.87*
79	6,323.79	2,000.71	4,323.08	11,360	49.13	5,561.17	5,316.42	903.34
82	63,661.05	19,180.62	44,480.43	110,449	44.69	49,359.66	47,892.49	3,412.06
83	57,492.02	20,316.10	37,175.92	122,107	48.32	59,002.10	60,525.27	23,349.35
84	38,701.98	9,420.29	29,281.67	67,609	47.97	32,432.04	32,162.22	2,880.55
87	963.63	97.20	866.43	991	42.68	422.99	427.34	*439.09*
88	1,889.96	144.89	1,745.07	2,897	[1] 47.79	1,384.48	1,355.77	*389.30*
Total 59	1,296,742.81	325,788.69	970,954.12	2,284,207	47.79	1,095,012.69	1,063,840.80	92,886.68
10	66,061.34	.....	66,061.34	119,514	[1] 47.79	57,115.74	52,737.38	*13,323.96*
36	49,132.29	.....	49,132.29	86,051	[1] 47.79	41,123.77	40,024.90	*9,107.39*
Market	1,411,936.44	325,788.69	1,086,147.75	2,489,772	.....	1,193,252.20	1,156,603.08	70,455.33

[1] Average of all other agencies.

*The figures shown in italics in this column were red in the original.

EXHIBIT No. 4—STATEMENT No. 2—Continued

B. A. I. Docket No. 311, Order of June 14, 1933—Continued

Confiscatory aspect of the prescribed rates, by species, showing net amounts available to compensate owners for services rendered, on basis of Government costs—Continued

SWINE

Agency No.	Government costs S. & B. exclusive of return on investment	Less owners compensation as included in government costs	Government costs minus allowance for owners compensation	Number of head S. & B. per government audit	Average revenue per head under prescribed rates	Revenue at June 14, 1933 rates		Net yield available for return on invoice and compensation of owner*
						Selling and buying together	Less increased revenue on buying service	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
					Cents			
1								
4	$2,173.85	$27.00	$2,146.85	9,552	15.76	$1,505.40	$1,477.35	*$969.50*
5								
6	3,331.35	2,475.00	856.35	8,168	22.10	1,805.13	1,812.10	955.75
7	10,710.54	3,798.19	6,912.35	41,090	23.83	9,791.75	9,453.12	2,540.77
9	5,153.52	912.13	4,241.39	19,051	21.81	4,155.02	4,032.52	*208.87*
11	534.62		534.62	2,990				*534.62*
12	7,985.82		7,985.82	28,132	[1] 20.26	5,699.54	5,630.91	*2,354.91*
13	9,195.45	571.20	8,624.25	40,816	20.94	8,546.87	8,549.59	*74.66*
14	6,102.96	556.83	5,546.13	27,819	19.00	5,285.61	5,288.79	*257.34*
15	5,668.76	3,126.54	2,542.22	20,743	23.17	4,806.15	4,829.77	2,287.55
16	3,248.65	172.80	3,075.85	8,498	23.45	1,992.78	1,997.56	*1,078.29*
17	1,635.24	1,078.92	556.32	6,872	22.73	1,562.01	1,606.05	1,049.73
18	3,331.30	835.65	2,495.65	11,653	18.85	2,196.59	2,176.98	*318.67*
19	1,063.16		1,063.16	4,497	20.21	908.84	720.04	*343.12*
20	930.69		930.69	3,727	20.50	764.04	764.04	*166.65*
23	397.95		397.95	1,536	23.17	355.89	355.89	*42.06*
25	7,443.81		7,443.81	19,201	22.94	4,404.71	4,363.93	*3,079.88*
26	6,712.13	1,744.82	4,967.31	20,321	21.37	4,342.60	4,324.23	*643.08*
29	3,281.77	223.65	3,058.12	12,619	20.29	2,660.40	2,535.75	*522.37*
30	1,192.32	81.08	1,111.24	3,489	23.52	820.61	820.61	*290.63*
33	328.62	5.86	322.76	1,690	22.12	373.83	373.83	51.07
34	3,667.17		3,667.17	16,312	19.18	3,128.64	2,572.57	*1,094.60*
35	4,919.98	142.50	4,777.48	12,017	22.80	2,739.88	2,721.60	*2,055.88*
37	11.85	6.53	5.32	35	25.29	8.85	8.85	3.53
42	4,173.40	2,607.51	1,565.89	11,442	21.70	2,482.91	2,438.25	872.36
43								
44					26.00			
46	11,267.00	724.20	10,542.80	33,474	20.11	6,731.62	6,682.19	*3,860.61*
48	1,748.68	89.10	1,659.58	5,952	20.88	1,242.78	1,248.16	*411.42*
51	33,576.08	11,153.37	22,422.71	159,184	24.76	39,413.96	39,348.10	16,925.39
52	1,994.06		1,994.06	6,196	22.25	1,379.06	1,280.19	*613.87*
53	5,656.92	691.20	4,965.72	18,764	20.64	3,872.89	3,873.36	*1,092.36*
54	7,367.15		7,367.15	27,122	18.88	5,120.63	4,659.97	*2,707.18*
55	4,124.94	43.20	4,081.74	21,227	18.77	3,984.31	3,958.88	*122.86*
56	2,851.63		2,851.63	8,191	20.22	1,656.22	1,622.88	*1,228.75*
59	15,320.43	4,009.35	11,311.09	70,554	20.15	14,216.63	13,778.79	2,467.70
60	5,804.78	1,815.88	3,988.90	21,164	24.05	5,089.94	4,944.04	955.14

[1] Average of all other agencies.

*The figures shown in italics in this column were red in the original.

Exhibit No. 4—Statement No. 2—Continued

B. A. I. Docket No. 311, Order of June 14, 1933—Continued

Confiscatory aspect of the prescribed rates, by species, showing net amounts available to compensate owners for services rendered, on basis of government costs—Continued

SWINE—Continued

Agency No.	Government costs S. & B. exclusive of return on investment	Less owners compensation as included in government costs	Government costs minus allowance for owners compensation	Number of head S. & B. per government audit	Average revenue per head under prescribed rates	Revenue at June 14, 1933 rates		Net yield available for return on invoice and compensation of owner*
						Selling and buying together	Less increased revenue on buying service	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
					Cents			
61	$1,702.72	$1,056.27	$646.45	9,679	19.93	$1,929.02	$1,875.73	*$1,229.28*
62	4,700.15	84.00	4,616.15	15,810	23.55	3,723.26	3,715.59	*900.56*
63	29,812.81	7,035.24	22,777.57	150,906	17.62	26,572.02	24,063.51	1,285.94
65	2,082.74	12.91	2,069.83	7,619	19.11	1,455.99	1,456.97	*612.86*
66	134.41		134.41	737	23.72	174.82	174.82	40.41
67	407.52	30.35	377.17	6,015	24.62	1,480.89	1,480.93	1,103.74
70	2,949.43		2,949.43	13,628	20.11	2,740.59	2,749.97	*199.46*
71	7,469.60	1,596.50	5,873.10	20,323	19.79	4,031.92	4,011.40	*1,861.70*
72	197.28		197.28	1,077	20.47	220.46	221.91	24.63
73	9,450.41	270.00	9,180.41	34,425	17.53	6,034.70	4,905.61	*4,274.80*
74	645.92		645.92	2,364	21.69	512.75	512.75	*133.17*
75	1,666.96		1,666.96	5,154	21.97	1,127.94	1,096.06	*570.90*
76	1,678.14	15.00	1,663.14	8,629	21.17	1,836.76	1,761.34	96.20
77	2,049.46	972.00	1,077.46	10,192	19.08	1,944.63	1,914.43	836.97
78	801.84	2.65	799.19	4,738	18.10	857.58	720.06	*79.13*
79	822.52	136.41	686.11	2,969	21.27	631.61	631.51	*54.60*
82	7,789.38	450.00	7,339.38	20,135	20.08	6,051.11	6,012.60	*1,326.78*
83	1,632.03	26.34	1,605.69	4,078	21.21	864.94	791.11	*814.58*
84	4,509.95	2,289.88	2,220.07	11,944	20.95	2,502.27	2,266.50	46.43
87	159.17	21.60	137.57	399	26.21	104.58	104.58	*33.99*
88	131.39		131.39	249	[1] 20.96	52.19	52.19	*79.20*
Total 59	263,730.42	50,891.66	212,800.76	045,048	20.96	217,776.02	210,870.44	*1,938.32*
10	26,949.72		26,949.72	996,653	[1] 20.96	20,258.47	20,235.40	*6,714.32*
36	32,967.12		32,967.12	147,922	[1] 20.96	31,004.45	30,958.99	*2,008.13*
Market	323,647.26	50,891.66	272,725.60			269,038.94	262,064.83	*10,660.77*

SHEEP

1	$5,765.31	$1,608.00	$2,157.31	43,274	6.60	$2,856.08	$2,873.33	$716.02
4	229.05		229.05	1,896	8.33	157.94	150.12	*78.93*
5	17,272.69	4,581.98	12,690.71	209,208	6.62	13,849.57	13,883.83	1,193.13
6	248.96		248.96	1,220	19.51	238.02	238.02	*10.94*
7	285.14	31.13	254.01	1,295	21.13	273.63	273.63	19.62
9	205.76		205.76	596	22.09	132.10	132.10	*73.66*
11	14.80		14.80	175				*14.80*

[1] Average of all other agencies.

*The figures shown in italics in this column were red in the original.

EXHIBIT No. 4—STATEMENT No. 2—Continued

B. A. I. Docket No. 311, Order of June 14, 1933—Continued

***Confiscatory aspect of the prescribed rates, by species, showing net amounts available to compensate owners for services rendered, on basis of Government costs*—Continued**

SHEEP—Continued

Agency No.	Government costs S. & B. exclusive of return on investment	Less owners compensation as included in government costs	Government costs minus allowance for owners compensation	Number of head S. & B. per government audit	Average revenue per head under prescribed rates	Revenue at June 14, 1933 rates		Net yield available for return on invoice and compensation of owner*
						Selling and buying together	Less increased revenue on buying service	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
					Cents			
12	$545.19		$545.19	3,439	15.84	$544.74	$454.08	*$91.11*
13	1,305.89	$318.24	987.65	5,688	15.80	895.70	898.79	*88.86*
14	1,213.00	160.30	1,052.70	7,365	15.62	1,150.41	1,064.08	11.38
15	574.57	34.43	540.14	3,854	14.78	569.62	574.63	34.49
16	272.46	7.20	265.26	1,570	22.28	351.37	225.35	*59.91*
17	114.34	13.53	100.81	756	20.33	153.69	131.49	30.68
18	247.91	1.35	246.56	3,157	8.46	267.08	261.12	14.56
19	212.19		212.19	1,252	16.78	210.09	156.59	*55.60*
20	139.59		139.59	872	17.32	151.03	128.00	*11.59*
23	119.10		119.10	862	12.61	108.70	108.70	*10.40*
25	648.19		648.19	3,676	14.07	517.21	486.02	*162.17*
26	491.68	18.69	472.99	2,657	15.28	405.99	403.97	*69.02*
29	181.82	17.20	164.62	734	20.56	150.91	150.91	*13.71*
30	219.81	17.63	202.18	533	22.36	119.18	119.18	*83.00*
33	179.06	3.40	175.66	805	20.85	167.84	167.84	*7.82*
34	58.77		58.77	190	21.20	40.28	40.28	*18.49*
35	5,744.24	150.00	5,594.24	44,036	10.55	4,645.80	4,558.62	*1,035.62*
37	32.28		32.28	321	22.92	73.57	73.57	41.29
42	286.24	26.12	260.12	1,460	18.49	269.95	232.81	*27.31*
43	13,455.55	2,187.56	11,268.05	140,481	10.61	14,905.03	14,600.36	3,422.31
44	19,625.55	6,768.00	12,857.55	267,391	8.50	22,726.24	22,512.40	9,654.85
46	1,624.32	285.40	1,338.92	7,795	14.58	1,136.51	1,092.89	*246.03*
48	100.61	16.20	84.41	436	18.79	80.80	80.80	*3.61*
51	1,380.66		1,380.66	6,942	19.93	1,383.54	1,318.86	*61.80*
52	786.31		786.31	4,320	14.96	646.27	638.52	*147.79*
53	166.89	21.60	145.29	733	16.64	121.97	102.87	*42.43*
54	30,218.88		30,218.88	591,028	7.04	41,608.37	41,596.61	11,377.73
55	285.77	4.80	280.97	3,685	11.14	410.51	403.05	122.08
56	160.18		160.18	4,924	7.27	357.97	357.97	197.79
59	17,713.06	598.00	17,115.06	205,441	6.81	13,990.53	13,933.57	*3,181.49*
60	208.13	26.13	182.00	753	21.09	158.81	159.40	*22.60*
61	199.98	45.27	154.71	991	21.04	208.51	175.49	20.78
62	449.29	12.00	437.29	3,065	20.01	613.31	613.41	176.12
63	5,607.01	334.15	5,272.86	43,330	13.99	6,061.87	4,644.52	*628.34*
65	295.59	2.15	293.44	2,184	14.82	323.67	246.54	*46.90*
66	50.70		50.70	283	20.55	58.16	58.16	7.46

*The figures shown in italics in this column were red in the original.

EXHIBIT No. 4—STATEMENT No. 2—Continued

B. A. I. Docket No. 311, Order of June 14, 1933—Continued

***Confiscatory aspect of the prescribed rates, by species, showing net amounts available to compensate owners for services rendered, on basis of government costs*—Continued**

SHEEP—Continued

Agency No.	Government costs S. & B. exclusive of return on investment	Less owners compensation as included in government costs	Government costs minus allowance for owners compensation	Number of head S. & B. per government audit	Average revenue per head under prescribed rates	Revenue at June 14, 1933 rates		Net yield available for return on invoice and compensation of owner*
						Selling and buying together	Less increased revenue on buying service	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
					Cents			
67	$30.47		$30.47	580	21.61	$125.34	$128.05	*$97.58*
70	495.27		495.27	2,507	16.03	401.87	403.93	*91.34*
71	378.06	$114.00	264.06	1,414	17.58	248.58	227.58	*58.48*
72	11.68		11.68	45	22.56	10.15	10.15	*1.53*
73	385.48		385.48	4,035	8.80	355.08	363.51	*21.97*
74	81.83		81.83	333	20.14	67.07	67.07	*14.76*
75	357.99		357.99	2,487	10.95	272.33	272.33	*85.66*
76	179.10		179.10	1,553	13.97	216.95	238.18	59.08
77	248.59	27.00	221.59	1,635	15.02	245.58	244.11	22.52
78	620.48		620.48	3,432	14.05	482.20	482.20	*138.28*
79	308.03	22.73	285.30	2,273	11.30	256.85	261.78	*23.52*
82	475.96	36.00	439.96	2,007	16.19	324.93	331.48	*108.48*
83	610.79	17.56	593.23	2,380	16.69	397.22	331.86	*261.37*
84	7,161.92	217.88	6,944.04	150,283	6.49	9,753.37	8,560.87	1,616.83
87	7,214.64	3,013.20	4,201.44	96,975	6.83	6,623.39	6,727.98	2,526.54
88								
Total 89	145,496.81	20,738.77	124,758.04	1,896,608	7.78	152,878.48	149,063.55	24,305.51
10	10,096.36		10,096.36	94,843	[1] 7.78	7,378.79	7,351.88	*2,744.48*
36	6,110.84		6,110.84	36,575	[1] 7.78	2,845.54	2,880.34	*3,230.60*
Market	161,704.01	20,738.77	140,965.24	2,028,026		163,102.81	159,295.77	18,330.53

*The figures shown in italics in this column were red in the original.

Exhibit No. 4—Statement No. 2—Continued

B. A. I. Docket No. 311, Order of June 14, 1933—Continued

Confiscatory aspect of the prescribed rates, by species, showing net amounts available to compensate owners for services rendered, on basis of government costs—Continued

ALL SPECIES

Agency No.	Net yield available for return on invoice and compensation of owner*	Less return on investment allowed in order of June 14, 1933	Remainder, if any, available to compensate owner for personal services	Average number of owners during the year 1931	Average compensation, if any, per owner per annum
(a)	(j)	(k)	(l)	(m)	(n)
1	$716.02	$173.10	$542.92	1	$542.92
4	*3,387.20*	610.89		2	
5	1,193.12	836.33	356.79	1	356.79
6	3,285.62	299.68	2,985.94	2	1,492.97
7	4,331.33	529.66	3,801.67	2	1,900.84
9	*285.79*	182.45		1	
11	*1,488.74*	42.80		1	
12	*11,140.65*	1,229.85			
13	1,352.72	1,267.60	85.12	3	28.37
14	684.70	855.57		3	
15	4,451.21	385.36	4,065.85	2	2,032.93
16	4,989.58	465.87	4,523.71	3	1,507.90
17	3,380.76	221.16	3,159.60	2	1,579.80
18	9,945.46	980.81	8,964.65	4	2,241.16
19	*1,899.85*	225.04		1	
20	*1,810.98*	514.38		1	
23	1,044.34	538.33	506.01	1	506.01
25	*1,658.55*	948.79		2	
26	879.79	607.99	271.80	2	135.90
29	557.74	474.98	82.76	3	27.59
30	2,859.25	378.09	2,481.16	2	1,240.58
33	441.11	37.23	403.88	1	403.88
34	2,462.63	898.31	1,564.32	1	1,564.32
35	45.64	1,185.13		10	
37	435.86	33.36	402.50	1	402.50
42	7,406.58	1,098.39	6,308.19	3	2,102.73
43	3,422.31	561.92	2,860.39	1	2,860.39
44	9,564.85	1,069.56	8,495.29	2	4,247.65
46	8,247.90	2,626.98	5,620.92	5	1,124.18
48	6,874.05	678.76	6,195.29	3	2,065.10
51	12,575.26	1,479.48	11,095.78	1	11,095.78
52	*19.05*	396.12		2	
53	2,681.73	517.65	2,164.08	2	1,082.04
54	*5,369.54*	5,306.63		3	
55	5,525.08	1,080.02	4,445.06	2	2,222.53
56	5,769.37	587.91	5,181.46	2	2,590.73
59	1,111.55	3,788.54		4	
60	4,184.36	439.23	3,745.13	6	624.19
61	615.45	232.67	382.78	1	382.78
62	*625.58*	506.01		2	
63	2,419.08	3,159.28		7	

*The figures shown in italics in this column were red in the original.

EXHIBIT No. 4—STATEMENT No. 2—Continued

B. A. I. Docket No. 311, Order of June 14, 1933—Continued

Confiscatory aspect of the prescribed rates, by species, showing net amounts available to compensate owners for services rendered, on basis of government costs—Continued

ALL SPECIES—Continued

Agency No.	Net yield available for return on invoice and compensation of owner*	Less return on investment allowed in order of June 14, 1933	Remainder, if any, available to compensate owner for personal services	Average number of owners during the year 1931	Average compensation, if any, per owner per annum
(a)	(j)	(k)	(l)	(m)	(n)
65	*$1,698.85*	$666.62		2	
66	1,031.31	61.13	$970.18	1	$970.18
67	1,328.11	51.23	1,276.88	1	1,276.88
70	*1,694.98*	689.94		1	
71	*2,893.37*	1,078.49		5	
72	268.69	43.68	225.01	1	225.01
73	*4,759.11*	1,432.30		4	
74	*288.18*	149.13		1	
75	*692.24*	422.50		1	
76	1,654.37	210.90	1,443.47	1	1,443.47
77	3,736.97	429.22	3,307.75	3	1,102.58
78	*770.76*	209.19		1	
79	914.22	200.27	714.95	1	714.95
82	1,976.80	1,875.71	101.09	5	20.22
83	22,273.40	1,869.68	20,403.72	5	4,080.74
84	4,543.81	1,698.88	2,844.93	3	948.31
87	2,054.46	405.56	1,648.90	1	1,648.90
88	*$89.50*	45.20		1	
Total 59	115,253.87	49,073.64		136	[3] 486.82
10	*23,782.75*	2,848.65			
36	*14,243.02*	2,472.52			
Market	78,125.09	54,394.81		136	[4] 174.50

[3] Equivalent $1.33 per man per day.

[4] Equivalent $0.48 per man per day.

*The figures shown in italics in this column were red in the original.

RESPONDENTS' EXHIBIT A-1

United States Department of Agriculture, Bureau of Agricultural Economics

Driven-in receipts of livestock, 1937

[Compiled under the direction of Edna M. Jordan, assistant agricultural statistician, Washington, D. C., January 1938]

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[1] Number of markets varies from 62 prior to January 1936 to 69 in 1937.

NOTE.—The following tables represent the livestock movements to the specified stockyards, including through shipments. Direct shipments to packers are included only when such shipments pass through the stockyards.

Receipts and drive-ins at public markets,[1] June 1932 to December 1937

Month and year	Cattle			Calves			Hogs			Sheep and lambs			Horses and mules		
	Receipts	Drive-ins	Percent of receipts	Receipts	Drive-ins	Percent of receipts	Receipts	Drive-ins	Percent of receipts	Receipts	Drive-ins	Percent of receipts	Receipts	Drive-ins	Percent of receipts
1932															
June	869,620	360,592	41.5	467,939	220,204	47.1	2,544,983	1,259,826	49.5	2,428,335	670,553	27.6	9,674	1,654	17.1
July	888,172	326,890	36.8	402,615	189,407	47.0	2,158,524	1,098,325	50.9	2,239,647	544,203	24.3	8,461	1,621	19.2
August	1,124,610	367,958	32.7	481,469	220,844	45.9	2,405,099	1,216,964	50.6	2,919,302	557,995	19.1	9,063	1,773	19.6
September	1,231,652	362,663	29.4	457,254	216,457	47.3	2,504,965	1,329,064	53.1	3,238,613	483,625	14.9	16,423	3,160	19.2
October	1,346,176	352,738	26.2	548,777	221,281	40.2	2,691,070	1,339,107	49.7	3,266,108	482,838	14.8	22,473	3,750	16.6
November	1,089,336	328,756	31.6	503,539	212,806	42.2	2,775,156	1,329,271	47.9	2,203,419	513,954	23.3	16,172	3,250	20.1
December	789,257	294,173	37.3	372,415	173,117	46.3	3,122,969	1,440,509	46.1	1,656,530	415,068	25.1	14,782	3,229	21.8
7 months	7,288,823	2,393,760	32.8	3,235,388	1,454,118	44.9	18,202,766	9,013,066	49.5	17,951,954	3,668,236	20.4	97,048	18,473	19.0
1933															
January	908,423	380,634	41.9	416,002	207,405	49.9	3,387,726	1,688,641	49.8	1,914,062	346,453	18.1	40,346	9,144	22.7
February	773,146	359,444	46.5	364,220	187,425	51.4	2,699,496	1,382,974	51.2	1,795,324	240,923	13.4	35,958	8,717	24.2
March	758,114	370,704	48.9	413,265	217,737	52.7	2,636,341	1,418,924	53.8	1,844,202	278,962	15.1	32,575	7,555	23.2
April	842,747	422,838	50.2	453,057	231,722	51.1	2,797,822	1,611,783	57.6	2,096,896	338,808	16.2	35,668	9,603	26.9
May	1,030,118	511,023	49.6	526,201	277,108	52.5	3,142,938	1,818,616	57.9	2,402,427	524,469	21.8	22,749	7,849	34.5
June	964,497	514,980	53.3	464,492	252,828	54.4	3,361,349	1,998,571	59.5	2,091,119	710,910	35.4	17,698	5,148	29.1
July	1,008,327	496,427	49.2	448,133	243,651	54.4	2,871,353	1,611,614	56.1	2,228,071	605,743	27.2	15,718	3,440	21.9
August	1,172,730	513,092	43.8	496,613	260,909	52.6	3,923,512	[2] 2,144,072	54.6	2,794,739	607,507	21.7	20,731	3,748	18.1
September	1,178,281	456,540	38.9	474,313	248,670	52.4	6,493,792	[2] 3,653,907	56.3	2,910,881	549,740	18.9	34,135	6,406	18.9
October	1,396,445	532,033	38.5	591,422	277,411	46.9	2,521,475	[2] 1,371,772	54.4	3,269,236	590,096	18.3	48,632	9,897	20.4
November	1,202,558	452,004	37.6	496,268	237,164	47.8	3,207,163	1,715,795	53.5	2,064,263	519,702	25.2	50,121	12,555	25.0
December	901,309	432,785	48.0	441,469	227,296	51.5	3,331,960	1,833,158	55.0	1,774,073	453,666	25.6	49,413	13,626	27.6
Year	12,346,695	5,434,464	44.0	5,587,065	2,869,326	51.4	40,376,936	22,249,827	55.1	27,184,089	5,905,874	21.4	403,644	97,748	24.2

[1] Number of markets varies from 62 prior to January 1936 to 69 in 1937.
[2] 1933 figures from Aug. 22 to Oct. 7 include many pigs and sows received for Government account in Emergency Hog Production Control Program.

Receipts and drive-ins at public markets, June 1933 to December 1937—Continued

Month and year	Cattle			Calves			Hogs			Sheep and lambs			Horses and mules		
	Receipts	Drive-ins	Percent of receipts	Receipts	Drive-ins	Percent of receipts	Receipts	Drive-ins	Percent of receipts	Receipts	Drive-ins	Percent of receipts	Receipts	Drive-ins	Percent of receipts
1934															
January	1,145,133	575,065	50.2	508,283	276,327	54.4	4,244,991	2,418,872	57.0	1,819,943	410,455	22.6	65,875	19,231	29.2
February	957,915	506,134	52.8	449,366	248,611	55.3	2,728,334	1,523,491	55.8	1,456,014	297,562	20.4	57,916	17,422	30.1
March	969,272	526,275	54.3	550,311	295,931	55.8	2,467,554	1,423,227	57.7	1,570,186	277,585	17.7	54,050	19,485	36.0
April	1,053,441	563,697	53.5	538,285	301,138	55.9	2,674,196	1,605,336	60.0	1,837,709	310,562	16.9	44,085	16,145	34.4
May	1,194,652	654,127	54.9	617,381	344,718	55.8	3,075,860	1,906,042	62.0	2,114,275	527,493	24.9	27,952	9,371	33.5
June	[1] 1,214,973	661,930	46.3	[1] 596,726	295,506	49.5	2,663,964	1,633,720	60.9	1,809,805	593,728	32.8	20,913	5,367	25.7
July	[1] 2,128,968	597,578	28.1	[1] 855,825	308,330	36.0	2,519,407	1,526,464	60.7	2,152,081	505,226	23.5	27,636	5,023	18.2
August	[1] 3,097,281	574,800	18.6	[1] 1,178,375	330,112	28.0	2,067,274	1,237,968	59.9	2,621,966	582,183	22.2	36,922	7,276	19.7
September	[1] 2,821,636	552,730	19.6	[1] 955,743	281,143	29.4	2,093,460	1,195,728	57.1	[1] 3,224,256	466,830	14.0	53,581	10,926	20.4
October	[1] 2,222,409	710,781	32.0	[1] 777,689	323,546	41.6	2,867,388	1,635,760	58.3	[1] 4,056,423	643,949	15.9	64,543	16,527	25.6
November	[1] 1,598,081	622,362	38.9	[1] 564,420	263,925	46.8	3,217,586	1,815,396	56.4	[1] 1,833,171	572,177	31.2	50,504	17,032	33.6
December	[1] 1,178,504	600,322	47.0	[1] 518,034	259,942	50.2	3,139,869	1,742,770	55.5	[1] 1,541,844	583,894	37.9	46,775	14,549	31.1
Year	19,679,264	7,045,920	35.8	8,090,438	3,520,229	43.6	33,719,923	19,667,774	58.3	26,137,672	5,771,594	22.1	569,701	157,363	28.1
1935															
January	[1] 1,307,592	658,172	50.3	[1] 581,301	296,938	51.1	2,421,815	1,422,498	58.7	1,748,760	538,542	30.2	74,900	22,942	30.6
February	[1] 948,247	533,965	56.3	[1] 432,476	239,638	55.3	1,822,703	1,050,662	57.6	1,521,824	394,090	25.9	66,892	22,380	33.5
March	975,349	548,012	56.2	495,125	282,623	57.1	1,621,769	977,413	60.3	1,808,135	382,296	21.2	67,694	20,673	30.5
April	1,056,512	599,439	56.7	573,348	323,904	56.5	1,650,117	1,051,150	63.7	2,105,640	418,360	19.9	54,618	18,142	33.2
May	1,066,714	594,652	55.8	569,325	319,701	56.2	1,551,021	979,568	63.2	2,251,059	533,847	23.7	30,991	10,194	33.0
June	926,640	537,537	58.1	476,381	275,343	57.8	1,300,996	809,922	62.3	1,994,234	666,424	33.4	23,215	7,213	31.1

July	1,090,256	605,784	56.1	522,400	305,478	58.5	1,336,214	838,461	62.7	2,366,068	649,389	27.4	29,045	7,178	24.7
August	1,369,347	675,370	49.3	575,001	320,477	55.7	1,278,383	808,099	63.2	2,577,006	610,160	23.7	31,016	8,768	28.3
September	1,660,623	713,267	43.0	596,166	316,870	53.2	1,220,415	772,215	63.3	2,822,112	601,124	21.3	39,908	12,817	32.1
October	1,864,374	809,729	43.4	681,122	352,928	51.8	1,651,581	990,652	60.0	3,055,014	661,507	21.7	39,206	12,222	31.2
November	1,459,027	656,333	45.0	578,063	287,202	49.7	1,671,419	996,793	59.6	1,732,200	596,232	34.4	43,774	14,791	33.8
December	1,271,965	712,045	56.0	537,296	300,147	55.9	2,035,504	1,242,104	61.0	1,588,203	576,969	36.3	35,623	13,050	36.6
Year	14,965,546	7,644,535	51.0	6,618,004	3,620,649	54.7	19,561,939	11,939,546	61.0	25,567,354	6,618,949	25.9	536,883	170,379	31.7
1936															
January	1,258,623	732,703	58.2	534,181	302,141	56.6	2,531,920	1,589,219	62.8	1,862,251	515,342	27.7	89,508	21,953	35.9
February	981,221	590,963	60.2	434,325	260,161	59.9	1,816,800	1,148,570	63.2	1,632,429	359,157	22.0	47,352	18,109	38.2
March	1,115,006	666,603	59.8	509,936	320,184	62.8	2,044,548	1,343,592	65.7	1,700,576	343,087	20.2	83,890	30,184	36.0
April	1,116,208	650,556	58.3	557,494	331,542	59.5	1,874,673	1,237,820	66.0	1,797,997	344,699	19.2	35,012	12,238	35.2
May	999,999	608,980	60.9	521,892	317,630	60.9	1,750,450	1,200,123	68.7	1,943,500	484,884	24.9	24,366	9,482	38.9
June	1,201,051	731,251	60.9	562,819	331,297	58.9	1,864,060	1,300,206	69.8	1,859,134	716,556	38.5	18,993	5,729	30.2
July	1,317,263	732,551	55.6	564,176	323,466	57.3	1,914,597	1,289,179	67.3	2,021,781	590,319	29.2	20,047	4,278	21.3
August	1,579,979	796,814	50.4	636,161	355,094	55.8	1,747,385	1,149,202	65.8	2,287,496	562,734	24.6	35,286	8,232	23.6
September	1,614,513	782,258	48.5	649,369	370,088	57.0	1,936,807	1,262,755	64.1	2,766,011	563,427	20.4	41,255	13,160	31.9
October	1,726,448	801,223	46.4	713,048	380,901	53.4	2,613,193	1,620,855	62.0	2,870,960	638,993	22.3	54,734	21,677	39.6
November	1,540,918	773,259	50.2	635,206	336,175	52.9	3,146,515	1,836,909	60.3	2,149,136	703,310	32.7	49,355	20,798	42.1
December	1,260,060	747,977	59.4	551,331	324,531	58.9	3,144,745	1,963,197	62.4	1,760,653	663,124	37.7	41,391	16,896	40.8
Year	15,711,291	8,615,160	54.8	6,889,538	3,953,210	57.5	26,398,748	16,992,787	64.4	24,651,954	6,485,634	26.3	511,189	182,936	35.8
1937															
January	1,172,074	663,298	56.6	519,047	311,162	59.9	2,500,310	1,587,330	63.5	2,053,317	607,434	29.4	71,511	25,193	35.2
February	898,678	545,551	60.7	444,309	286,662	64.5	2,084,350	1,326,800	63.7	1,890,923	386,707	24.3	69,393	24,346	35.1
March	1,128,717	683,894	60.9	588,394	379,223	64.5	2,224,117	1,455,297	65.4	1,576,270	351,971	22.3	65,819	27,876	42.4
April	1,052,343	627,705	59.6	581,644	370,889	63.8	2,025,889	1,385,781	68.1	1,881,965	410,755	21.8	34,082	16,538	48.5

[1] Includes animals purchased for Federal Surplus Relief Corporation from June 6, 1934 to Feb. 7, 1935, for cattle and calves, and from Sept. 14 to Dec. 15, 1934, for sheep.

Receipts and drive-ins at public markets, June 1932 to December 1937—Continued

Month and year	Cattle			Calves			Hogs			Sheep and lambs			Horses and mules		
	Receipts	Drive-ins	Percent of receipts	Receipts	Drive-ins	Percent of receipts	Receipts	Drive-ins	Percent of receipts	Receipts	Drive-ins	Percent of receipts	Receipts	Drive-ins	Percent of receipts
May	1,146,361	637,697	54.8	604,755	382,388	63.2	1,536,065	1,044,259	68.4	2,209,429	515,363	23.3	23,413	10,782	46.1
June	1,271,135	722,280	56.8	630,892	389,920	61.8	1,512,761	1,026,920	67.9	1,878,618	695,352	37.0	17,512	6,471	37.0
July	1,102,807	609,098	55.2	571,828	339,827	59.4	1,156,812	784,681	67.8	1,907,784	574,105	30.1	22,403	8,988	26.6
August	1,542,529	765,853	49.6	702,486	381,678	54.3	1,275,283	902,999	70.8	2,751,817	596,553	21.7	29,243	9,735	33.3
September	1,612,839	782,279	48.5	747,116	396,698	53.1	1,533,311	1,068,430	69.7	2,993,509	651,875	21.8	26,978	9,950	36.9
October	1,618,276	679,833	42.0	714,538	353,427	49.5	1,906,495	1,288,941	67.6	2,697,281	598,711	22.2	29,604	11,184	37.8
November	1,485,785	669,417	45.7	666,350	326,865	49.1	2,322,667	1,484,633	63.9	1,785,163	655,251	36.7	26,366	10,422	39.5
December	1,113,722	614,724	55.2	514,908	275,324	53.5	2,587,440	1,575,377	60.9	1,643,324	596,074	36.3	26,327	10,539	40.0
Year	15,135,266	8,001,638	52.9	7,286,357	4,194,243	57.6	22,665,500	14,931,368	65.9	24,979,400	6,640,151	26.6	442,741	169,023	38.2

Cattle and Calves—Drive-ins, by Market, 1933–37

Market	Cattle					Calves				
	1933	1934	1935	1936	1937	1933	1934	1935	1936	1937
Atlanta, Ga.	7,188	6,176	13,735	15,237	11,057	615	194	4,915	4,268	421
Baltimore, Md.	37,003	60,217	88,890	78,499	90,364	33,957	39,972	46,606	47,256	43,636
Birmingham, Ala.	5,630	4,926	10,326	9,762	5,533	(1)	1,814	3,434	3,104	3,140
Boston, Mass.	22,352	25,887	31,481	29,665	34,817	34,596	40,073	50,402	49,313	51,487
Buffalo, N. Y.	24,727	34,245	45,014	51,197	64,689	41,531	35,733	33,185	47,664	56,007
Bushnell, Ill.	(1)	(1)	(1)	3,101	2,564	(1)	(1)	(1)	1,427	1,625
Chattanooga, Tenn.	19,469	24,862	39,507	37,861	40,020	(1)	(1)	(1)	(1)	(1)
Cheyenne, Wyo.	0	0	0	0	0	0	0	0	0	0
Chicago, Ill.	464,142	667,472	695,614	777,381	707,024	126,166	174,125	172,852	156,930	163,039
Cincinnati, Ohio	107,109	132,094	155,082	167,256	130,396	92,510	110,083	98,985	98,667	94,248
Cleveland, Ohio	47,517	66,554	73,180	71,052	77,961	98,851	109,686	101,444	101,386	113,061
Dallas, Tex.	17,353	17,390	27,824	29,127	12,673	19,739	22,239	37,709	51,428	18,197
Dayton, Ohio	14,086	18,624	18,772	19,044	19,856	5,920	6,942	8,765	8,867	9,562
Denver, Colo.	94,494	125,763	137,603	145,004	167,950	30,907	39,532	43,274	40,102	49,402
Detroit, Mich.	81,893	112,778	128,028	122,059	161,663	146,682	157,713	126,863	114,966	130,325
East Saint Louis, Ill.	434,711	449,907	503,112	537,853	473,480	278,559	342,993	338,158	339,311	296,352
El Paso, Tex.	7,643	13,434	8,415	4,629	11,484	1,896	5,063	2,827	3,485	2,394
Evansville, Ind.	37,923	42,622	65,507	64,083	57,897	37,152	46,491	51,917	50,136	43,919
Fort Wayne, Ind.	(1)	(1)	(1)	13,803	17,529	(1)	(1)	(1)	8,071	9,004
Fort Worth, Tex.	238,189	290,909	465,068	467,862	670,499	147,989	211,076	259,353	299,896	364,852
Houston, Tex.	(1)	(1)	(1)	17,296	23,910	(1)	(1)	(1)	40,076	61,150
Indianapolis, Ind.	204,053	218,433	267,053	302,410	285,246	139,578	164,623	160,550	156,713	162,256
Jacksonville, Fla.	1,565	2,787	14,529	11,120	8,427	485	593	2,042	2,792	1,846
Jersey City, N. J.	24,651	28,568	40,156	41,442	57,627	11,135	9,974	10,046	9,719	8,055
Joplin, Mo.	33,748	43,651	57,191	45,789	43,650	65,458	82,608	62,320	55,993	42,397
Kansas City, Mo.	431,393	543,349	520,920	531,611	431,573	128,159	189,647	183,385	195,621	161,661

See footnotes at end of table.

Cattle and Calves—Drive-ins, by Market, 1933–37—Continued

Market	Cattle					Calves				
	1933	1934	1935	1936	1937	1933	1934	1935	1936	1937
Knoxville, Tenn	20,950	27,505	46,418	45,388	35,736	(1)	(1)	(1)	(1)	31,853
La Fayette, Ind	6,041	5,485	5,181	4,930	4,075	10,594	11,476	9,810	9,100	9,105
Lancaster, Pa	47,660	54,047	91,926	91,840	103,044	35,360	35,230	35,081	40,599	49,468
Laredo, Tex	19	220	8,434	1,378	3,070	169	147	3,729	620	2,029
Los Angeles, Calif	76,148	109,892	151,460	144,787	204,313	18,029	18,354	29,700	28,724	41,615
Louisville, Ky	54,050	83,922	105,566	111,956	83,461	74,545	90,031	80,038	84,342	73,221
Marion, Ohio	1,823	2,679	2,837	229	(1)	1,852	2,164	1,986	178	(1)
Memphis, Tenn	55,622	121,600	156,360	92,712	106,639	24,755	30,455	87,285	61,078	63,563
Milwaukee, Wis	94,189	132,744	130,755	127,989	145,941	275,280	294,468	274,041	262,089	287,778
Montgomery, Ala	34,306	40,768	104,778	99,024	95,844	21,201	31,540	62,951	62,493	64,647
Moultrie, Ga	6,871	10,017	11,999	10,900	10,499	(2)	(2)	(2)	(2)	(2)
Muncie, Ind	(1)	(1)	(1)	10,576	10,063	(1)	(1)	(1)	10,024	10,474
Nashville, Tenn	63,085	81,322	130,389	116,689	104,909	49,452	58,838	68,743	57,436	45,214
Newark, N. J	46	235	681	990	158	3,349	4,316	2,536	2,293	439
New Orleans, La	8,092	10,979	36,829	35,041	41,457	15,857	16,116	39,426	39,585	49,164
New York, N. Y	724	686	1,226	1,215	844	521	338	352	534	699
North Salt Lake, Utah	7,312	11,016	3,535	3,359	8,932	109	323	515	1,014	2,211
Ogden, Utah	21,675	20,089	36,337	43,038	47,558	2,138	2,701	4,599	7,154	7,967
Oklahoma City, Okla	205,915	294,415	480,271	482,890	453,377	50,652	50,758	129,731	167,967	205,346
Omaha, Nebr	755,365	1,036,114	674,398	1,018,927	707,399	49,618	111,230	82,471	111,362	110,142
Parsons, Kans	(1)	(1)	(1)	40,406	38,509	(1)	(1)	(1)	38,995	30,882
Pasco, Wash	2	0	28	207	48	2	0	0	0	0
Peoria, Ill	47,061	66,859	58,359	79,496	70,069	47,436	62,811	53,270	54,990	57,100
Philadelphia, Pa	1,975	1,990	2,881	3,313	7,148	29,529	25,223	21,151	21,110	21,380
Pittsburgh, Pa	18,423	28,049	42,308	37,743	40,249	24,168	28,615	35,032	35,239	39,530
Portland, Oreg	23,472	24,367	37,934	35,321	40,969	6,318	7,265	7,359	7,768	11,398
Pueblo, Colo	1,272	3,741	958	445	2,715	253	713	97	37	53

Richmond, Va	6,581	12,822	15,098	14,618	15,825	13,362	12,969	14,418	17,345	19,283
St. Joseph, Mo	244,289	330,571	219,001	266,516	202,137	64,525	103,694	83,305	91,513	80,033
St. Louis, Mo	(1)	(1)	(1)	19,956	17,496	(1)	(1)	(1)	10,874	11,720
San Antonio, Tex	40,767	46,572	81,208	90,154	119,336	55,421	68,045	116,623	117,203	205,391
Seattle, Wash	2,459	3,382	9,176	11,380	11,978	401	340	1,430	1,870	1,922
Sioux City, Iowa	481,603	630,601	536,824	704,052	449,966	19,680	41,168	34,316	45,307	40,054
Sioux Falls, S. Dak	122,971	131,856	104,194	170,144	120,305	12,394	22,175	12,299	18,141	14,961
South St. Paul, Minn	400,130	510,346	454,610	544,716	531,253	373,323	445,143	369,745	402,922	479,522
South San Francisco, Calif	17,486	28,091	50,394	52,282	54,634	4,463	10,386	7,749	8,052	9,102
Spokane, Wash	15,177	20,672	41,426	42,250	46,290	2,275	3,678	5,051	6,929	8,043
Springfield, Ill	3,489	3,256	4,162	4,247	3,924	5,908	7,088	7,621	7,673	8,472
Springfield, Mo	37,741	33,589	66,320	53,884	49,152	85,438	80,931	81,446	84,126	62,880
Stockton, Calif	(1)	14,494	46,627	21,067	14,605	(1)	10,007	8,190	9,950	9,835
Toledo, Ohio	7,225	8,714	8,303	17,280	17,106	2,759	2,481	2,488	4,985	5,255
Tulsa, Okla	(1)	(1)	(1)	40,907	50,325	(1)	(1)	(1)	56,661	62,122
Washington, D. C	1,120	(2)	(2)	(2)	(2)	3,589	(2)	(2)	(2)	(2)
West Fargo, N. Dak	(1)	(1)	(1)	73,386	64,053	(1)	(1)	(1)	20,377	17,522
Wichita, Kans	142,977	160,145	260,077	253,189	258,318	42,416	46,838	55,463	57,370	54,787
Total drive-ins	5,434,464	7,045,930	7,644,535	8,615,160	8,001,638	2,869,326	3,529,229	3,620,649	3,953,210	4,194,243
Total receipts	12,346,695	19,679,264	14,985,546	15,711,291	15,135,266	5,587,065	8,090,438	6,618,004	6,869,583	7,286,357
Percentage drive-ins of receipts	44.0	35.8	51.0	54.8	52.9	51.4	43.6	54.7	57.5	57.6

[1] No reports received.
[2] Calves included with cattle.
[3] Discontinued.

Hogs and sheep—Drive-ins, by markets, 1933–37

Market	Hogs					Sheep and lambs				
	1933	1934	1935	1936	1937	1933	1934	1935	1936	1937
Atlanta, Ga	11,875	6,785	6,471	6,459	2,302	796	690	416	425	108
Baltimore, Md	61,594	31,435	70,756	119,818	169,284	95,352	80,127	84,826	72,669	67,585
Birmingham, Ala	6,591	1,347	6,639	7,209	5,186	488	187	360	220	125
Boston, Mass	21,159	22,845	28,365	42,021	57,888	2,515	3,920	6,176	5,067	4,802
Buffalo, N. Y	17,743	14,346	22,382	50,516	64,912	86,773	87,345	103,685	109,919	98,863
Bushnell, Ill	(1)	(1)	(1)	73,851	53,886	(1)	(1)	(1)	5,303	4,442
Chattanooga, Tenn	28,982	37,616	23,979	28,302	30,943	2,093	1,501	1,527	2,007	1,314
Cheyenne, Wyo	0	0	0	0	0	0	0	0	0	0
Chicago, Ill	1,953,777	1,986,699	1,252,957	1,625,389	1,582,696	348,917	354,632	481,368	367,267	351,717
Cincinnati, Ohio	843,594	717,605	544,124	646,744	684,401	338,977	224,515	238,779	211,542	182,663
Cleveland, Ohio	396,661	220,170	172,032	230,263	310,389	287,980	277,407	299,037	269,930	259,620
Dallas, Tex	74,018	43,571	64,155	106,052	58,518	6,025	4,954	5,047	5,267	5,114
Dayton, Ohio	69,615	36,786	49,413	68,807	73,831	6,179	4,658	15,208	15,349	16,460
Denver, Colo	294,275	260,875	142,123	195,807	211,823	70,897	89,240	83,166	121,947	133,115
Detroit, Mich	223,576	174,530	115,036	179,662	224,440	361,872	355,132	280,503	346,307	338,689
East St. Louis, Ill	2,399,318	2,088,029	1,356,695	1,591,787	1,525,135	380,888	369,624	465,833	474,315	448,814
El Paso, Tex	2,120	2,173	4,290	2,405	3,272	1,299	3,300	2,185	2,935	5,023
Evansville, Ind	243,009	246,985	231,912	164,626	188,330	29,093	29,545	32,721	34,372	41,150
Fort Wayne, Ind	(1)	(1)	(1)	57,378	64,978	(1)	(1)	(1)	22,435	23,497
Fort Worth, Tex	296,945	154,045	185,230	336,912	326,439	355,494	308,112	412,501	360,305	758,091
Houston, Tex	(1)	(1)	(1)	4,144	4,330	(1)	(1)	(1)	655	331
Indianapolis, Ind	2,068,429	1,830,468	1,287,361	1,512,459	1,555,356	294,573	288,126	417,060	434,251	392,683
Jacksonville, Fla	13,446	5,070	8,598	17,457	19,311	369	575	1,379	783	433
Jersey City, N. J	3,135	2,970	1,440	3,009	7,134	5,747	4,449	8,298	5,437	6,703
Joplin, Mo	94,497	100,547	77,548	88,985	62,265	22,596	31,308	26,625	22,630	25,805
Kansas City, Mo	1,436,960	937,540	455,484	541,534	332,691	341,833	347,717	314,346	332,559	305,031
Knoxville, Tenn	(1)	(1)	(1)	3,183	38,718	(1)	(1)	(1)	(1)	5,953

La Fayette, Ind	105,093	100,234	68,702	75,574	87,400	12,501	14,683	23,699	21,291	21,322
Lancaster, Pa	15,870	14,138	29,139	64,449	83,422	18,689	17,374	24,276	21,362	23,890
Laredo, Tex	0	0	5	0	5	0	0	977	1,027	304
Los Angeles, Calif	14,987	19,109	33,661	38,480	81,749	40,094	40,514	77,244	71,260	53,280
Louisville, Ky	236,920	217,512	170,554	169,191	191,754	201,715	171,613	230,471	224,912	218,432
Marion, Ohio	49,305	43,076	38,565	3,439	(1)	13,737	20,058	19,146	2,434	(1)
Memphis, Tenn	106,156	81,518	104,592	119,041	155,309	1,354	1,207	1,781	1,441	1,682
Milwaukee, Wis	267,641	243,864	222,143	337,752	295,784	47,143	47,560	68,520	62,244	55,209
Montgomery, Ala	10,943	4,350	46,869	93,575	76,050	2,184	2,132	1,879	1,380	1,883
Moultrie, Ga	27,162	17,352	36,764	50,353	60,494	0	0	0	0	0
Muncie, Ind	(1)	(1)	(1)	80,389	82,909	(1)	(1)	(1)	18,758	22,578
Nashville, Tenn	90,557	67,346	96,407	115,088	133,973	146,242	124,298	142,311	118,855	80,140
Newark, N. J	630	635	3,837	2,990	22,358	12,108	4,925	8,068	1,908	1,590
New Orleans, La	5,561	3,673	18,044	29,910	39,052	310	376	742	1,061	705
New York, N. Y	9,403	14,478	8,085	7,592	7,201	321	499	591	146	251
North Salt Lake, Utah	21,115	23,652	20,531	27,189	41,593	20,814	26,382	22,811	17,143	16,815
Ogden, Utah	35,022	35,775	33,596	44,694	56,808	40,450	59,175	65,944	69,603	89,341
Oklahoma City, Okla	621,199	274,689	256,691	351,176	249,730	75,845	68,525	130,624	104,792	113,263
Omaha, Nebr	2,248,664	2,455,148	1,061,945	1,574,254	842,056	514,753	441,082	324,314	322,837	293,122
Parsons, Kans	(1)	(1)	(1)	73,393	51,790	(1)	(1)	(1)	15,857	17,659
Pasco, Wash	12	0	0	0	0	30,858	20,596	23,150	18,010	20,885
Peoria, Ill	910,953	862,725	404,761	581,257	489,330	22,576	58,528	79,666	89,393	101,838
Philadelphia, Pa	3,340	1,211	1,853	5,148	38,825	26,370	18,201	20,724	17,431	29,062
Pittsburgh, Pa	16,260	13,228	26,516	53,483	79,676	131,040	137,708	147,239	108,780	88,615
Portland, Oreg	68,412	56,532	71,239	95,769	116,911	68,888	65,229	88,635	68,967	71,032
Pueblo, Colo	0	18	160	0	0	0	912	2,516	0	0
Richmond, Va	43,651	16,589	41,043	119,210	169,414	8,840	7,803	9,105	6,377	7,496
St. Joseph, Mo	1,611,691	1,552,211	652,332	833,709	508,810	367,717	355,946	304,041	321,526	310,258
St. Louis, Mo	(1)	(1)	(1)	83,106	72,510	(1)	(1)	(1)	31,568	36,833
San Antonio, Tex	79,061	39,816	46,006	85,257	132,738	7,595	9,834	23,881	13,325	12,799
Seattle, Wash	4,168	5,822	14,943	26,500	40,186	4,276	4,365	7,516	14,240	12,807
Sioux City, Iowa	1,936,197	1,996,602	824,258	1,335,068	755,604	358,470	477,327	700,673	427,821	300,535
Sioux Falls, S. Dak	428,817	389,323	178,692	301,705	201,723	46,430	121,924	139,348	170,774	166,803

(1) See footnotes at end of table.

Hogs and sheep—Drive-ins, by markets, 1933–37—Continued

Market	Hogs					Sheep and lambs				
	1933	1934	1935	1936	1937	1933	1934	1935	1936	1937
South St. Paul, Minn.	1,627,023	1,432,148	787,964	1,634,438	1,323,600	352,859	381,053	418,430	476,795	536,068
South San Francisco, Calif.	80,308	61,696	92,040	105,252	114,190	44,574	39,856	54,184	101,722	100,146
Spokane, Wash.	24,744	22,584	20,042	29,646	36,882	8,902	10,922	16,423	16,150	16,945
Springfield, Ill.	251,625	222,450	137,474	173,286	162,916	3,726	2,644	3,738	3,094	3,673
Springfield, Mo.	200,177	129,456	90,301	127,658	83,924	29,667	34,896	39,734	52,039	68,125
Stockton, Calif.	(1)	16,803	17,356	25,434	29,664	(1)	18,255	13,013	20,438	20,270
Toledo, Ohio	26,945	20,772	16,647	25,873	29,952	2,242	1,468	1,601	3,062	2,420
Tulsa, Okla.	(1)	(1)	(1)	64,925	60,169	(1)	(1)	(1)	2,981	4,250
Washington, D. C.	13,581	(2)	(2)	(2)	(2)	1,934	(2)	(2)	(2)	(2)
West Fargo, N. Dak.	(1)	(1)	(1)	90,694	83,595	(1)	(1)	(1)	100,199	124,670
Wichita, Kans.	825,100	248,800	162,810	286,059	212,744	99,509	96,648	110,758	120,699	96,564
Total drive-ins	22,240,827	19,667,774	11,939,546	16,992,787	14,931,368	5,805,874	5,771,584	6,618,949	6,485,634	6,640,151
Total receipts	40,376,936	33,719,923	19,561,939	26,398,748	22,665,830	27,184,089	26,137,672	25,567,354	24,651,954	24,979,400
Percentage drive-ins of receipts	55.1	58.3	61.0	64.4	65.9	21.4	22.1	25.9	26.3	26.6

[1] No reports received.
[2] Discontinued.

Drive-ins, by markets, 1937

CATTLE

Market	January	February	March	April	May	June	July	August	September	October	November	December	Total drive-ins, 1937	Total receipts, 1937	Percent drive-ins of receipts
Atlanta, Ga	717	281	706	660	862	1,115	1,075	1,129	1,176	1,235	1,144	857	11,057	14,848	74.47
Baltimore, Md	9,234	6,826	9,447	8,432	6,887	6,906	5,519	7,896	8,048	7,148	7,401	6,920	90,364	161,537	55.94
Birmingham, Ala	725	463	354	246	207	479	492	427	605	714	532	289	5,533	8,214	67.36
Boston, Mass	3,075	2,727	3,717	3,036	2,985	3,310	1,928	3,010	2,570	2,796	3,134	2,,42	34,817	54,342	64.07
Buffalo, N. Y	6,071	5,668	6,843	6,906	6,232	6,061	4,335	4,,36	4,043	5,201	4,820	4,034	64,,69	203,595	31.77
Bushnell, Ill	396	230	218	294	174	418	230	163	130	135	62	127	2,,54	5,447	47.07
Chattanooga, Tenn	3,063	2,668	2,577	3,237	2,380	3,350	3,270	4,124	6,116	3,561	3,231	2,123	40,,20	40,512	98.79
Cheyenne, Wyo	0	0	0	0	0	0	0	0	0	0	0	0	0	11,670	0
Chicago, Ill	79,064	72,705	79,826	75,555	59,657	62,204	46,079	52,832	45,979	36,148	46,212	50,767	707,024	1,980,992	35.69
Cincinnati, Ohio	8,269	8,321	12,138	11,975	8,521	11,098	10,316	12,621	13,673	12,803	12,172	9,389	130,396	221,125	58.97
Cleveland, Ohio	6,865	7,884	10,079	9,443	7,225	6,486	4,355	5,476	5,140	5,756	4,763	4,489	77,961	107,313	72.65
Dallas, Tex	2,020	2,193	1,426	2,297	4,728	(1)	(1)	(1)	(1)	(1)	(1)	(1)	12,673	14,644	86.54
Dayton, Ohio	1,840	1,799	1,968	1,541	1,349	1,729	1,025	2,247	1,666	1,745	1,710	1,217	19,856	23,112	85.91
Denver, Colo	13,178	10,568	14,301	11,990	10,280	9,747	12,015	20,953	19,092	17,38[illegible]	15,948	12,575	167,950	588,506	28.54
Detroit, Mich	14,277	12,520	17,946	16,894	14,736	14,605	11,269	13,406	12,136	11,48[illegible]	12,639	9,751	161,663	213,428	75.75
East St. Louis, Ill	38,229	31,207	39,067	32,906	27,057	28,272	33,753	48,688	56,356	47,679	43,876	36,390	473,480	953,317	49.67
El Paso, Tex	1,438	2,114	1,067	392	2,624	350	663	590	622	400	635	589	11,484	120,082	9.56
Evansville, Ind	4,055	2,529	4,730	3,935	3,255	4,240	4,897	7,099	8,437	6,912	4,095	3,713	57,897	62,062	93.29
Fort Wayne, Ind	1,469	1,490	1,969	1,744	1,304	1,607	978	1,161	1,774	1,549	1,159	1,325	17,529	17,529	100.00
Fort Worth, Tex	41,042	31,691	40,570	40,950	70,601	79,119	67,653	72,402	63,327	61,509	58,490	43,235	670,499	908,677	73.79
Houston, Tex	1,330	1,062	1,656	1,724	1,841	2,516	2,247	2,274	3,022	2,207	2,238	1,793	23,910	50,131	47.70
Indianapolis, Ind	27,136	27,304	30,896	28,560	21,537	26,441	30,786	22,289	22,533	18,424	19,776	19,575	285,246	340,859	83.68

[1] No reports received.

Drive-ins, by markets, 1937—Continued

CATTLE—Continued

Market	January	February	March	April	May	June	July	August	September	October	November	December	Total drive-ins, 1937	Total receipts, 1937	Percent drive-ins of receipts
Jacksonville, Fla	802	787	980	905	857	1,160	656	631	558	417	334	331	8,427	13,668	61.65
Jersey City, N. J	4,861	5,060	4,869	6,124	4,830	5,620	3,146	4,714	5,642	4,504	3,355	4,893	57,627	222,286	25.92
Joplin, Mo	3,196	3,025	3,643	3,287	3,611	4,275	3,791	4,256	4,609	4,221	3,112	2,624	43,650	43,650	100.00
Kansas City, Mo	32,284	23,067	32,354	27,103	27,827	43,918	33,430	52,696	49,956	38,797	37,029	33,112	431,573	1,562,163	27.63
Knoxville, Tenn	3,255	2,555	2,046	1,812	2,048	2,177	2,401	3,309	6,344	3,802	3,461	2,526	35,736	35,736	100.00
La Fayette, Ind	628	417	366	399	376	313	220	552	168	247	131	258	4,075	4,165	97.84
Lancaster, Pa	8,349	8,698	14,754	14,698	14,071	16,690	6,192	3,331	3,801	3,579	4,458	4,513	103,044	272,640	37.79
Laredo, Tex	125	44	28	819	599	207	678	322	64	66	106	12	3,070	9,611	31.94
Los Angeles, Calif	9,989	11,039	13,676	14,032	20,265	26,373	23,249	26,467	18,949	14,164	12,489	13,630	204,313	371,267	55.03
Louisville, Ky	5,206	4,470	6,842	4,845	4,788	5,499	6,366	9,941	12,182	10,932	7,888	4,502	83,461	127,661	65.38
Memphis, Tenn	11,208	5,036	5,982	5,581	8,342	10,805	9,082	13,238	11,413	9,329	8,380	8,243	106,639	153,272	69.58
Milwaukee, Wis	11,293	10,163	16,462	15,068	14,307	11,605	8,841	10,820	12,473	11,777	12,492	10,620	145,941	218,191	66.89
Montgomery, Ala	9,834	6,424	6,687	5,754	4,448	4,892	6,753	10,220	13,951	11,179	9,052	6,550	95,844	105,331	90.99
Moultrie, Ga	1,796	630	460	668	301	517	479	802	1,261	1,109	1,373	31,111	10,499	11,284	93.04
Muncie, Ind	1,236	870	1,050	974	643	674	818	756	819	742	782	700	10,063	10,063	100.00
Nashville, Tenn	7,177	6,239	7,058	4,720	4,621	5,169	8,146	13,576	17,825	14,622	9,157	6,604	104,909	111,208	94.34
Newark, N. J	29	29	10	5	3	26	3	22	2	20	2	7	158	23,182	.68
New Orleans, La	3,618	2,209	2,462	2,778	3,690	4,085	4,082	3,737	4,343	4,219	3,205	8,029	41,457	62,634	66.19
New York, N. Y	142	118	100	33	78	45	51	49	81	4	114	29	844	13,233	6.38
North Salt Lake, Utah	349	200	552	801	300	634	535	847	800	1,086	1,816	1,012	8,932	71,464	12.50
Ogden, Utah	4,395	3,420	4,543	4,856	2,768	2,484	2,722	4,028	4,533	4,524	5,246	4,039	47,558	123,607	38.48
Oklahoma City, Okla	40,712	25,754	38,079	31,459	39,791	42,220	43,865	48,303	41,526	36,714	33,410	31,525	453,377	498,511	90.95
Omaha, Nebr	57,733	51,125	57,192	50,243	52,806	59,786	47,247	69,405	71,508	57,169	64,043	70,142	707,399	1,280,469	55.25
Parsons, Kans	3,102	1,909	3,151	2,167	3,650	5,706	3,798	3,351	4,340	2,885	2,486	1,964	38,509	38,509	100.00

Pasco, Wash.	0	0	0	48	0	0	0	0	0	0	0	0	48	3,733	1.29	
Peoria, Ill.	7,816	6,294	7,602	6,264	4,877	6,901	4,757	5,718	5,675	4,521	4,969	5,091	70,069	84,635	82.79	
Philadelphia, Pa.	431	374	283	3,249	436	536	324	264	234	270	210	335	7,148	37,630	19.00	
Pittsburgh, Pa.	3,329	2,701	3,449	3,457	2,737	3,574	3,077	4,347	3,501	4,392	3,451	2,234	40,249	319,289	12.61	
Portland, Oreg.	2,560	2,173	2,972	2,912	2,680	4,457	3,775	4,880	3,869	4,013	3,795	2,903	40,989	153,163	26.76	
Pueblo, Colo.	26	0	117	875	444	930	50	56	0	0	217	0	2,715	42,729	6.35	
Richmond, Va.	1,270	950	1,036	872	1,053	1,252	1,108	1,491	2,171	2,164	1,361	1,097	15,825	27,314	57.94	
St. Joseph, Mo.	18,570	15,238	17,071	14,528	11,674	16,706	13,304	17,218	19,851	17,134	19,876	20,987	202,137	347,033	58.25	
St. Louis, Mo.	1,226	1,020	1,055	978	1,049	2,054	1,423	1,745	2,089	1,620	1,772	1,465	17,496	20,555	85.12	
San Antonio, Tex.	6,871	6,488	7,726	9,775	12,389	11,207	9,244	11,179	14,077	11,444	11,824	7,022	119,336	149,437	79.85	
Seattle, Wash.	947	622	872	797	627	1,019	1,347	1,495	1,213	1,187	1,022	819	11,978	44,008	27.22	
Sioux City, Iowa.	41,774	31,741	40,346	29,650	28,806	32,576	28,051	37,160	44,859	39,444	43,552	51,077	449,906	636,965	70.64	
Sioux Falls, S. Dak.	7,929	6,995	7,881	5,887	5,866	9,020	9,209	10,049	14,834	12,797	16,184	13,684	120,305	123,691	97.26	
South St. Paul, Minn.	44,347	35,207	56,179	43,490	39,207	40,050	37,833	39,700	46,382	48,065	48,396	52,338	531,252	930,240	57.11	
South San Francisco, Calif.	3,171	2,837	2,688	4,382	5,285	8,489	8,275	6,709	4,057	3,344	4,083	2,984	54,634	102,067	53.53	
Spokane, Wash.	2,964	2,287	3,851	3,194	3,610	4,455	3,595	4,912	5,083	4,990	3,991	2,838	46,290	74,723	61.95	
Springfield, Ill.	369	270	338	330	286	492	336	298	366	341	302	276	3,924	3,924	100.00	
Springfield, Mo.	3,110	2,196	2,218	1,867	2,608	5,084	5,999	7,823	7,229	5,105	4,067	1,859	49,182	54,721	89.83	
Stockton, Calif.	716	680	1,037	1,311	1,518	2,411	1,051	1,676	1,496	891	879	938	14,605	27,961	52.23	
Toledo, Ohio.	1,378	1,513	2,406	3,060	2,685	2,137	1,073	668	549	630	457	547	17,106	29,146	58.69	
Tulsa, Okla.	3,034	2,169	3,127	2,861	3,871	7,214	5,186	6,102	5,196	4,946	3,960	2,990	50,225	50,700	99.06	
West Fargo, N. Dak.	1,704	549	2,382	1,201	1,817	3,955	7,116	8,744	13,479	11,712	7,028	4,386	64,053	74,433	86.05	
Wichita, Kans.	24,330	17,889	24,420	26,711	24,502	22,879	16,638	25,238	21,822	19,740	19,459	14,711	258,318	311,417	82.95	
Total drive-ins	663,268	545,551	693,894	627,705	627,697	722,289	639,098	765,853	782,279	679,533	669,417	614,724	8,001,638			
Total receipts	1,172,074	896,679	1,138,717	1,052,343	1,146,361	1,271,135	1,103,807	1,542,529	1,612,839	1,618,276	1,465,785	1,113,722		15,135,266		
Percentage drive-ins of receipts	56.6	60.7	60.9	59.6	54.8	56.8	55.2	49.6	48.5	42.0	45.7	55.2			52.87	

Drive-ins, by markets, 1937—Continued

CALVES

Market	January	February	March	April	May	June	July	August	September	October	November	December	Total drive-ins, 1937	Total receipts, 1937	Percent drive-ins of receipts
Atlanta, Ga.	0	0	0	25	0	0	0	241	155	0	0	0	421	744	56.59
Baltimore, Md.	3,342	3,138	3,679	3,856	4,185	4,564	4,184	4,540	4,092	2,842	2,931	2,283	43,636	64,269	67.90
Birmingham, Ala.	113	101	96	75	65	137	152	598	570	769	357	99	3,140	4,715	66.60
Boston, Mass.	3,550	4,252	6,307	5,360	4,685	4,611	3,817	3,892	3,578	3,979	4,296	3,260	51,487	80,646	63.84
Buffalo, N. Y.	3,664	3,947	6,904	7,582	7,086	6,037	4,936	3,816	3,136	3,327	3,386	2,486	56,007	277,454	20.19
Bushnell, Ill.	75	106	158	180	189	234	112	148	129	99	100	95	1,625	2,010	80.85
Chattanooga, Tenn.	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Cheyenne, Wyo.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Chicago, Ill.	15,060	12,954	17,096	16,492	13,586	15,906	11,618	12,634	12,482	10,676	11,680	12,791	163,039	386,068	42.23
Cincinnati, Ohio	4,200	6,874	10,117	10,647	10,198	9,835	8,281	7,649	7,548	6,716	6,278	5,905	94,248	134,513	70.07
Cleveland, Ohio	7,342	8,096	10,927	12,923	11,396	12,673	9,898	9,856	7,345	7,387	7,531	7,687	113,061	123,425	91.60
Dallas, Tex.	3,729	3,361	2,005	3,080	5,932	(1)	(1)	(1)	(1)	(1)	(1)	(1)	18,197	19,367	94.45
Dayton, Ohio	617	820	982	958	863	1,051	684	896	706	733	763	483	9,562	10,208	93.67
Denver, Colo.	3,957	3,416	4,149	3,264	3,629	3,712	4,043	6,032	5,077	4,958	4,066	3,099	49,402	84,606	58.39
Detroit, Mich.	8,682	10,344	12,890	12,521	13,899	15,586	12,016	10,546	8,107	7,937	9,792	8,065	130,325	149,945	86.92
E. St. Louis, Ill.	20,399	20,496	29,787	25,068	32,542	29,683	24,772	27,445	25,049	21,543	20,317	16,281	296,382	635,450	46.64
El Paso, Tex.	120	117	292	482	374	77	151	181	145	97	80	298	2,394	78,116	3.06
Evansville, Ind.	2,030	2,813	4,208	4,234	4,647	4,807	4,600	4,630	3,977	3,342	2,580	1,916	43,919	47,510	92.44
Fort Wayne, Ind.	583	782	830	976	934	1,[illegible]79	541	640	843	595	628	627	9,004	9,004	100.00
Fort Worth, Tex.	24,807	19,673	21,621	20,542	29,167	29,278	32,196	39,761	49,732	40,147	35,934	22,094	364,852	491,890	74.17
Houston, Tex.	2,924	1,897	2,177	2,891	4,405	5,318	6,386	7,754	8,178	7,336	6,395	5,487	61,150	93,411	65.46
Indianapolis, Ind.	10,326	12,285	15,129	16,484	15,929	18,350	13,719	13,763	13,140	11,302	11,623	10,208	162,258	172,328	94.16
Jacksonville, Fla.	122	79	87	169	139	333	158	261	225	111	86	99	1,849	2,645	69.91
Jersey City, N. J.	506	634	822	1,024	544	910	512	576	740	513	612	603	8,055	485,551	1.66

Joplin, Mo.	3,428	3,378	4,542	5,124	4,886	4,308	3,557	3,365	2,970	2,701	2,307	1,836	42,397	42,397	100.00
Kansas City, Mo.	11,550	9,680	13,746	12,278	13,793	15,652	11,900	16,892	19,586	15,276	11,913	9,280	161,661	367,500	43.99
Knoxville, Tenn.	1,654	1,920	1,369	2,082	2,461	3,207	3,945	4,536	5,191	2,367	1,612	1,660	31,853	31,853	100.00
La Fayette, Ind.	812	612	945	1,088	719	883	837	715	501	710	565	718	9,105	9,179	99.19
Lancaster, Pa.	4,016	3,900	5,301	5,113	4,682	4,960	3,923	3,748	3,690	3,215	3,495	2,538	49,465	51,216	96.59
Laredo, Tex.	9	82	19	101	682	96	55	304	128	0	198	355	2,029	7,324	27.70
Los Angeles, Cal.	2,251	1,813	3,232	4,824	5,430	5,467	4,322	3,352	2,665	3,436	2,773	2,050	41,615	121,763	34.18
Louisville, Ky.	2,806	5,589	6,621	7,102	8,175	7,972	8,097	7,631	6,792	5,129	3,972	3,385	73,221	122,983	59.54
Memphis, Tenn.	7,416	2,707	3,061	3,661	5,522	5,481	6,130	7,541	6,873	5,285	4,472	5,313	63,583	83,481	76.16
Milwaukee, Wis.	30,885	26,937	37,394	31,078	20,669	20,459	14,662	14,966	18,454	22,009	23,700	26,563	287,778	428,119	67.22
Montgomery, Ala.	4,087	2,778	1,452	1,711	2,595	2,350	4,258	10,894	12,696	10,020	6,843	4,361	64,647	67,773	95.39
Moultrie, Ga.	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Muncie, Ind.	617	764	962	1,256	1,126	1,228	968	837	666	717	652	671	10,474	10,474	100.00
Nashville, Tenn.	2,047	2,558	3,269	3,879	3,949	4,934	5,222	5,555	5,052	3,426	2,391	1,940	45,214	47,736	94.68
Newark, N. J.	44	50	45	50	28	17	10	18	31	65	79	19	439	11,497	3.82
New Orleans, La.	2,474	1,995	1,792	1,690	2,461	4,086	4,826	5,666	7,768	6,289	4,923	4,194	49,164	134,943	36.43
New York, N. Y.	55	73	81	67	82	110	74	49	49	28	15	16	699	169,134	.41
North Salt Lake, Utah.	79	156	200	136	146	250	190	193	223	224	214	200	2,211	3,966	55.75
Ogden, Utah.	371	271	791	760	747	741	735	977	723	699	698	384	7,967	11,017	72.32
Oklahoma City, Okla.	21,001	12,135	15,640	13,738	15,581	17,078	18,237	23,099	21,794	18,598	14,138	14,307	205,346	217,353	94.48
Omaha, Nebr.	8,291	8,516	10,113	8,573	8,110	9,083	6,303	10,921	12,520	11,022	10,230	7,460	110,142	178,906	61.56
Parsons, Kans.	2,160	2,068	3,269	2,947	3,308	3,890	2,811	2,690	2,481	2,027	1,786	1,750	30,882	31,308	98.64
Pasco, Wash.	0	0	0	0	0	0	0	0	0	0	0	0	0	124	0
Peoria, Ill.	4,278	4,624	6,096	5,361	5,396	6,001	4,316	5,033	4,198	3,521	4,427	3,925	57,100	58,545	97.53
Philadelphia, Pa.	1,383	1,484	1,718	3,327	2,181	2,489	1,543	1,586	1,995	1,340	1,067	1,348	21,380	60,956	35.07
Pittsburgh, Pa.	2,145	3,360	2,926	3,968	4,891	5,715	3,971	3,402	2,421	2,038	2,480	2,513	39,530	315,397	12.53
Portland, Oreg.	444	429	554	616	956	1,509	1,225	1,436	1,421	1,218	863	696	11,398	22,492	50.68
Pueblo, Colo.	0	0	0	0	0	0	1	0	0	0	0	52	53	3,873	1.37
Richmond, Va.	952	1,292	1,426	1,571	2,153	2,105	2,155	2,063	2,102	1,446	1,017	921	19,223	19,635	99.21
St. Joseph, Mo.	6,090	5,056	8,398	7,127	7,934	8,088	5,555	6,331	7,316	7,010	5,936	4,681	80,033	86,886	92.11
St. Louis, Mo.	812	647	909	843	985	1,417	961	1,086	1,231	1,016	969	844	11,720	16,212	72.29
San Antonio, Tex.	10,045	7,654	9,726	12,780	15,560	15,374	15,451	22,385	30,678	25,371	25,898	14,460	205,391	232,281	88.04
Seattle, Wash.	100	78	79	63	107	327	347	288	164	141	133	95	1,922	17,419	11.03

[1] No reports received.

[2] Calves included with cattle.

Drive-ins, by markets, 1937—Continued

CALVES—Continued

Market	January	February	March	April	May	June	July	August	September	October	November	December	Total drive-ins, 1937	Total receipts, 1937	Percent drive-ins of receipts
Sioux City, Iowa	2,571	3,230	3,768	2,408	2,388	2,531	2,518	3,070	4,735	5,523	4,438	2,874	40,054	63,478	63.10
Sioux Falls, S. Dak	768	909	1,156	938	1,068	1,187	1,031	1,127	2,220	1,90.	1,744	967	14,961	15,141	98.81
South St. Paul, Minn	42,326	46,826	58,490	50,800	44,731	42,836	34,466	29,116	29,110	35,109	35,910	35,789	479,522	596,108	80.04
South San Francisco, Calif	202	281	446	1,151	853	1,626	1,224	877	764	774	687	217	9,102	12,093	75.27
Spokane, Wash	451	376	570	614	717	779	901	1,015	946	901	624	359	8,043	14,416	55.79
Springfield, Ill	648	685	940	963	821	826	563	704	595	531	598	598	8,472	8,472	100.00
Springfield, Mo	3,502	4,379	6,278	6,891	8,373	7,488	6,436	5,766	4,458	3,628	3,216	2,465	62,880	66,276	94.88
Stockton, Calif	429	357	751	1,037	1,116	1,533	753	1,001	775	573	444	456	9,835	12,118	81.16
Toledo, Ohio	515	622	500	715	421	434	373	261	316	309	366	392	5,255	5,608	93.71
Tulsa, Okla	3,783	2,941	3,925	3,896	5,234	6,017	6,048	7,307	7,304	6,478	5,066	4,033	62,122	62,122	100.00
West Fargo, N. Dak	665	380	1,398	681	1,527	1,771	2,454	2,321	2,844	1,982	983	516	17,522	20,071	87.30
Wichita, Kans	4,352	3,456	5,049	5,478	5,700	4,557	3,751	5,162	5,270	4,867	3,717	3,428	54,787	71,917	76.18
Total drive-ins	311,162	286,662	379,223	370,809	382,388	389,920	339,527	381,678	396,698	353,427	326,865	275,524	4,194,243	.....	.....
Total receipts	519,047	444,399	588,394	581,644	604,755	630,892	571,328	702,483	747,116	714,536	666,350	514,908	.....	7,286,357	.....
Percentage drive-ins of receipts	59.9	64.5	64.5	63.8	63.2	61.8	59.4	54.3	53.1	49.5	49.1	53.5	.....	.....	57.55

HOGS

Atlanta, Ga	217	317	329	97	172	280	206	121	90	132	168	153	2,302	5,496	41.89
Baltimore, Md	17,481	18,537	23,480	19,431	15,820	11,027	9,327	12,351	12,446	10,838	9,438	9,097	169,284	382,396	44.27
Birmingham, Ala	890	653	429	344	367	354	477	550	318	294	228	282	5,186	5,491	94.45
Boston, Mass	3,654	3,282	4,486	4,053	5,364	6,713	5,113	5,298	6,889	5,366	4,443	3,277	57,888	60,505	95.67
Buffalo, N. Y	6,106	5,268	6,225	7,284	8,588	7,530	6,376	4,881	3,562	3,872	2,930	2,301	64,912	240,639	26.00

Bushnell, Ill	7,121	4,784	6,082	6,495	4,101	4,457	2,085	2,471	3,109	3,804	5,236	4,141	53,886	53,886	100.00
Chattanooga, Tenn	3,463	2,972	3,474	3,787	2,620	2,218	1,927	1,617	1,759	1,784	2,602	2,700	30,943	31,195	99.19
Cheyenne, Wyo	0	0	0	0	0	0	0	0	0	0	0	0	0	56,417	0
Chicago, Ill	203,615	150,127	134,137	130,445	104,133	119,217	99,190	91,864	94,818	109,538	154,453	191,179	1,582,696	3,968,398	39.88
Cincinnati, Ohio	38,241	42,611	71,430	72,965	52,261	50,547	37,393	50,764	58,596	66,239	76,574	66,789	684,401	802,045	85.33
Cleveland, Ohio	21,134	23,104	34,273	40,165	30,231	26,078	16,025	16,568	23,146	27,123	25,805	26,737	310,389	321,518	96.54
Dallas, Tex	9,863	14,935	12,542	11,066	10,112	(1)	(1)	(1)	(1)	(1)	(1)	(1)	58,518	60,287	96.99
Dayton, Ohio	7,310	6,927	8,457	8,564	5,065	5,660	3,314	3,374	5,799	6,147	6,744	6,970	73,831	74,477	99.13
Denver, Colo	33,519	28,210	28,576	21,053	15,249	12,811	8,601	8,895	10,730	11,784	15,011	17,294	211,823	320,960	66.00
Detroit, Mich	18,086	16,821	22,501	24,444	20,484	19,312	13,788	13,341	13,335	17,971	22,301	22,055	224,440	238,609	94.06
East St. Louis, Ill	160,685	136,903	157,214	149,180	99,159	91,544	67,589	85,233	111,886	144,760	170,606	150,376	1,525,135	2,265,272	67.33
El Paso, Tex	184	150	284	343	143	242	271	297	336	316	371	335	3,272	46,709	7.01
Evansville, Ind	11,105	10,728	20,366	23,537	17,852	18,003	11,613	19,200	12,651	16,144	15,328	11,803	188,330	189,019	99.64
Fort Wayne, Ind	4,606	4,550	7,351	6,831	5,097	5,576	2,682	2,467	5,475	5,392	6,415	8,536	64,978	64,978	100.00
Fort Worth, Tex	34,673	38,656	44,954	32,941	26,224	16,727	14,807	20,840	29,899	27,789	20,421	18,508	326,439	350,637	93.10
Houston, Tex	386	555	429	204	110	119	93	103	253	698	674	716	4,330	4,452	97.26
Indianapolis, Ind	134,328	123,489	148,546	157,115	115,774	122,841	77,136	89,629	121,151	130,287	174,977	160,083	1,555,356	1,582,582	98.28
Jacksonville, Fla	3,596	2,984	1,761	829	716	727	269	403	506	1,752	2,673	3,096	19,311	19,766	97.70
Jersey City, N. J	422	349	380	275	762	972	1,123	1,284	1,105	201	145	115	7,134	243,245	2.93
Joplin, Mo	5,638	5,075	5,685	5,517	4,811	3,827	4,063	5,370	5,824	6,433	5,632	4,380	62,265	62,265	100.00
Kansas City, Mo	34,886	26,910	29,890	26,931	16,009	18,137	14,551	28,706	33,407	39,849	32,801	30,674	332,691	371,599	89.53
Knoxville, Tenn	3,689	3,292	4,270	3,697	3,538	3,369	2,285	2,462	2,725	2,838	3,262	3,291	38,718	38,718	100.00
La Fayette, Ind	8,211	6,234	6,242	8,696	5,710	6,895	5,690	4,059	6,105	9,238	9,698	10,622	87,400	87,400	100.00
Lancaster, Pa	6,963	6,824	9,547	8,573	9,968	7,415	6,169	6,217	6,782	6,066	4,908	4,088	83,422	105,534	79.05
Laredo, Tex	0	5	0	0	0	0	0	0	0	0	0	0	5	5	100.00
Los Angeles, Calif	3,948	3,187	4,897	5,252	8,029	7,466	8,273	9,503	8,973	7,491	7,809	6,921	81,749	93,192	87.72
Louisville, Ky	8,665	14,907	18,091	19,795	19,291	18,244	15,337	16,738	15,238	14,269	17,048	14,131	191,754	205,921	93.12
Memphis, Tenn	28,385	12,340	19,341	14,931	11,766	9,196	9,928	10,644	7,297	7,335	11,253	12,893	156,309	161,389	96.24
Milwaukee, Wis	24,419	21,330	27,946	26,892	20,056	19,536	13,588	15,255	24,352	37,567	35,147	29,707	295,784	486,617	60.78
Montgomery, Ala	14,745	12,419	10,699	6,922	3,631	2,403	2,431	4,316	3,113	2,925	3,435	9,011	76,050	79,853	95.24
Moultrie, Ga	9,737	12,023	5,744	2,052	539	366	518	1,443	1,960	4,149	8,019	13,944	60,494	69,235	87.37
Muncie, Ind	7,538	6,216	6,224	7,955	6,113	5,603	4,647	4,180	7,001	7,290	9,637	10,518	82,909	82,909	100.00
Nashville, Tenn	8,941	14,286	14,665	14,949	11,814	8,563	9,258	12,881	10,478	9,736	9,673	9,329	133,973	134,424	99.66

[1] No reports received

Drive-ins, by markets, 1937—Continued

HOGS—Continued

Market	January	February	March	April	May	June	July	August	September	October	November	December	Total drive-ins, 1937	Total receipts, 1937	Percent drive-ins of receipts
Newark, N. J.	551	1,516	1,484	2,052	2,880	1,981	2,094	2,783	2,586	1,532	1,182	1,717	22,358	346,990	6.44
New Orleans, La.	5,691	4,164	3,958	3,370	2,373	2,108	2,023	2,460	2,050	2,836	4,151	3,866	39,052	42,117	92.72
New York, N. Y.	475	463	678	747	479	830	638	532	752	558	389	660	7,201	842,760	.85
North Salt Lake, Utah	3,954	3,441	4,420	4,052	3,906	3,036	1,988	1,691	2,104	3,537	4,675	4,739	41,593	319,147	13.03
Ogden, Utah	5,963	4,085	5,277	5,200	4,996	4,426	3,531	2,403	3,427	4,649	6,459	6,482	56,898	113,370	50.10
Oklahoma City, Okla.	24,037	21,756	25,252	23,559	18,283	13,600	13,892	24,062	25,799	22,631	16,106	18,053	240,730	282,310	85.43
Omaha, Nebr.	120,674	89,979	77,100	59,618	42,682	52,106	35,809	45,371	63,600	65,106	86,417	103,542	842,003	1,108,682	75.88
Parsons, Kans.	4,815	4,524	5,553	5,108	4,511	3,750	2,257	3,456	4,583	4,494	4,445	4,297	51,790	51,790	100.00
Pasco, Wash.	0	0	0	0	0	0	0	0	0	0	0	0	0	5,461	0
Peoria, Ill.	62,942	51,096	46,604	46,784	31,623	34,967	21,615	21,304	23,235	36,208	54,491	58,441	489,330	489,510	99.96
Philadelphia, Pa.	715	1,260	1,002	32,398	537	234	216	351	366	505	456	690	38,825	301,386	12.88
Pittsburgh, Pa.	6,521	7,174	10,812	9,606	8,146	7,035	4,384	5,378	5,456	5,975	4,934	4,255	79,676	472,150	16.88
Portland, Oreg.	7,268	8,281	11,789	10,346	9,610	10,905	8,923	9,502	9,117	9,951	10,638	10,581	116,911	229,233	51.00
Pueblo, Colo.	0	0	0	0	0	0	0	0	0	0	0	0	0	10,439	0
Richmond, Va.	13,013	18,862	25,211	23,641	22,229	10,956	8,632	9,463	9,050	10,120	8,666	9,580	169,414	254,845	66.48
St. Joseph, Mo.	58,905	49,592	42,412	36,510	25,873	28,497	18,445	24,435	40,826	62,873	61,300	59,142	508,810	569,197	89.39
St. Louis, Mo.	6,661	5,976	7,186	6,657	4,006	4,914	3,785	5,849	6,102	7,152	6,956	7,266	72,510	73,739	98.33
San Antonio, Tex.	13,494	12,186	12,186	10,806	8,654	6,252	7,282	11,274	14,872	14,058	12,750	8,892	132,738	145,585	91.18
Seattle, Wash.	2,679	2,996	3,585	3,323	3,575	3,858	2,892	3,769	3,389	4,090	3,470	2,589	40,186	86,842	46.27
Sioux City, Iowa	115,954	80,486	67,203	48,768	39,216	50,900	43,955	42,463	51,483	50,038	66,476	98,662	755,604	827,170	91.35
Sioux Falls, S. Dak.	32,194	20,130	14,806	9,745	9,966	15,645	12,880	8,686	9,890	13,284	20,467	33,938	201,723	201,909	99.91
South St. Paul, Minn.	146,274	93,376	114,043	98,466	82,867	80,689	65,707	57,916	74,343	146,730	160,510	204,619	1,323,600	1,590,607	83.21
South San Francisco, Calif.	7,535	8,622	11,041	8,042	8,061	10,513	9,490	12,237	11,401	9,873	8,526	8,849	114,190	201,283	56.73
Spokane, Wash.	1,643	2,456	3,079	3,226	3,105	3,298	2,829	2,511	2,720	4,643	4,190	3,782	36,882	43,105	85.56
Springfield, Ill.	17,758	16,490	15,033	19,767	13,071	12,383	8,075	7,486	7,996	13,179	16,394	14,384	162,916	162,916	100.00

Springfield, Mo	8,237	6,631	7,440	5,997	5,109	4,996	4,260	5,809	7,963	9,434	10,845	7,204	83,924	84,692	99.09
Stockton, Calif	2,152	2,266	2,008	2,675	2,460	2,305	2,206	3,046	3,366	2,353	2,287	2,458	20,084	35,934	82.61
Toledo, Ohio	2,521	2,674	3,345	4,180	3,461	2,839	1,956	1,377	1,472	1,624	2,302	2,199	29,952	30,108	99.48
Tulsa, Okla	4,576	4,319	5,289	4,147	3,927	3,016	2,696	6,775	7,150	7,962	5,770	4,542	60,169	60,169	100.00
West Fargo, N. Dak	5,223	1,434	3,330	1,492	2,470	3,561	4,116	3,353	3,679	7,257	8,676	9,004	53,595	57,550	93.13
Wichita, Kans	18,446	18,724	21,713	21,804	16,945	13,263	11,711	21,928	19,027	19,416	14,830	14,947	212,744	236,182	90.08
Total drive-ins	1,587,330	1,326,800	1,455,297	1,385,781	1,044,259	1,026,920	784,601	902,999	1,068,430	1,288,941	1,484,633	1,575,377	14,931,368	.....	.....
Total receipts	2,500,310	2,084,350	2,224,117	2,035,889	1,526,065	1,512,761	1,156,812	1,275,283	1,533,311	1,906,495	2,322,667	2,587,440	.....	22,665,500	.....
Percentage drive-ins of receipts	63.5	63.7	65.4	68.1	68.4	67.9	67.8	70.8	69.7	67.6	63.9	60.9	.....	.....	65.88

SHEEP AND LAMBS

Atlanta, Ga	0	0	36	25	0	0	46	0	1	0	0	0	108	108	100.00
Baltimore, Md	2,120	679	1,081	2,558	8,510	11,247	10,662	9,713	7,337	4,928	6,166	2,584	67,585	203,013	33.29
Birmingham, Ala	0	0	0	33	0	0	11	71	10	0	0	0	125	125	100.00
Boston, Mass	188	195	170	27	15	67	85	296	1,035	1,586	855	283	4,802	8,360	57.44
Buffalo, N. Y	11,263	8,019	10,762	10,434	3,027	1,475	1,650	4,179	7,858	14,736	16,534	8,335	98,863	667,526	14.81
Bushnell, Ill	840	189	389	11	63	617	351	646	826	117	231	162	4,442	7,546	58.87
Chattanooga, Tenn	0	34	0	0	0	250	247	293	345	103	28	14	1,314	1,314	100.00
Cheyenne, Wyo	0	0	0	0	0	0	0	0	0	0	0	0	0	22,817	0
Chicago, Ill	59,658	33,202	17,408	9,020	6,699	13,938	17,030	33,765	36,279	31,074	43,070	30,565	351,717	2,500,966	14.06
Cincinnati, Ohio	2,515	1,624	1,343	1,739	7,197	28,781	37,583	40,670	24,964	18,561	11,570	6,116	182,663	377,043	48.45
Cleveland, Ohio	37,230	29,595	24,700	23,952	13,239	9,944	7,036	12,124	19,228	25,175	27,651	29,677	259,620	293,926	88.33
Dallas, Tex	176	110	217	2,243	2,368	(1)	(1)	(1)	(1)	(1)	(1)	(1)	5,114	5,114	100.00
Dayton, Ohio	898	1,483	1,395	235	380	2,031	1,395	307	3,008	2,008	2,017	1,303	16,460	21,549	76.38
Denver, Colo	10,371	10,359	8,440	11,015	4,523	5,822	7,944	16,449	18,901	13,262	17,014	8,995	133,115	3,098,294	4.30
Detroit, Mich	45,776	35,567	31,118	24,785	17,052	7,214	4,868	13,069	20,568	42,398	49,684	37,570	338,689	382,912	88.45
East St. Louis, Ill	28,253	9,214	8,468	5,287	21,009	21,415	65,398	64,698	51,319	38,704	44,549	35,880	448,814	1,049,966	42.75
El Paso, Tex	46	1,040	97	143	760	1,613	98	271	0	244	405	306	5,023	167,774	2.99
Evansville, Ind	378	716	262	308	1,454	6,499	9,672	7,586	4,615	3,409	2,630	3,610	41,150	42,299	97.30

[1] No reports received.

Drive-ins, by markets, 1937—Continued

SHEEP AND LAMBS—Continued

Market	January	February	March	April	May	June	July	August	September	October	November	December	Total drive-ins, 1937	Total receipts, 1937	Percent drive-ins of receipts
Fort Wayne, Ind.	2,564	3,006	1,476	169	209	700	708	2,168	3,530	3,509	2,610	2,848	23,497	23,497	100.00
Fort Worth, Tex.	16,704	25,534	66,897	181,641	177,407	100,340	48,203	32,296	27,762	30,778	31,204	19,325	758,091	1,280,807	59.19
Houston, Tex.	3	0	33	24	27	46	93	31	23	28	18	6	331	773	42.82
Indianapolis, Ind.	65,883	46,642	23,990	15,305	11,368	13,126	20,222	38,445	39,321	31,754	34,016	52,605	392,683	441,647	88.91
Jacksonville, Fla.	7	7	22	169	70	15	12	80	1	46	4	0	433	433	100.00
Jersey City, N. J.	169	6	1,276	59	35	661	41	220	2,165	486	1,003	582	6,703	1,480,465	.45
Joplin, Mo.	951	568	434	683	4,548	7,259	3,620	2,366	1,716	1,649	1,103	908	25,805	25,805	100.00
Kansas City, Mo.	22,454	12,618	10,048	8,410	25,854	60,164	34,417	36,021	28,699	18,219	24,245	23,882	305,031	1,468,635	20.77
Knoxville, Tenn.	47	31	85	9	792	1,881	1,640	633	533	225	52	25	5,953	5,953	100.00
La Fayette, Ind.	2,792	2,679	718	495	399	1,427	1,937	2,466	2,259	1,739	1,919	2,497	21,322	21,606	98.69
Lancaster, Pa.	1,650	543	967	791	1,945	2,894	2,704	2,818	3,789	2,581	2,063	1,195	23,890	37,758	63.27
Laredo, Tex.	0	0	2	0	0	49	0	50	34	130	0	39	304	304	100.00
Los Angeles, Calif.	2,475	3,128	3,239	4,437	9,496	8,534	6,010	8,887	1,730	2,281	1,023	2,040	53,280	102,388	52.04
Louisville, Ky.	970	475	1,041	1,496	11,910	47,639	71,802	47,437	17,369	7,950	5,289	5,956	218,432	280,786	77.79
Memphis, Tenn.	30	19	64	21	198	626	329	178	427	12	63	22	1,689	10,888	15.51
Milwaukee, Wis.	3,559	2,822	2,548	4,518	3,209	2,790	2,460	5,510	7,814	7,766	7,529	4,069	55,209	97,466	56.64
Montgomery, Ala.	29	21	6	20	865	784	85	39	4	1	0	29	1,883	1,896	99.31
Muncie, Ind.	1,801	2,271	1,099	508	661	1,435	2,255	3,222	3,052	2,742	2,147	1,385	22,578	22,578	100.00
Nashville, Tenn.	534	876	1,626	1,609	17,266	31,150	16,285	4,334	2,596	1,694	1,031	1,139	80,140	85,678	93.54
Newark, N. J.	0	0	17	0	2	353	669	125	215	0	218	0	1,599	106,248	1.50
New Orleans, La.	2	21	67	69	121	80	111	119	14	69	30	2	705	870	81.03
New York, N. Y.	59	19	53	2	0	0	0	0	14	8	31	65	251	339,621	.07
North Salt Lake, Utah	569	468	729	3,589	576	909	420	1,252	1,616	1,838	3,166	1,683	16,815	714,432	2.35
Ogden, Utah	3,058	1,687	2,191	757	1,448	4,451	6,485	11,724	44,312	6,993	2,845	3,390	89,341	1,975,262	4.52

Oklahoma City, Okla	8,663	5,599	10,273	7,699	23,393	14,603	11,964	8,454	5,228	4,750	5,019	7,618	113,253	160,357	70.63
Omaha, Nebr	25,466	14,209	22,734	12,424	15,774	33,917	29,301	25,958	25,534	22,076	33,296	32,433	293,122	1,585,320	18.49
Parsons, Kans	664	210	385	294	3,253	3,847	2,427	1,693	1,545	1,281	1,218	843	17,659	17,659	100.00
Pasco, Wash	3,500	0	0	0	21,633	4,752	0	0	0	0	0	0	29,885	44,035	67.87
Peoria, Ill	13,776	7,910	2,415	648	1,283	4,397	4,744	9,867	9,859	6,173	17,707	23,104	101,883	110,006	92.62
Philadelphia, Pa	105	356	923	9,259	3,809	5,538	3,247	2,523	2,009	436	312	545	29,062	167,399	17.36
Pittsburgh, Pa	6,362	3,486	5,724	4,797	5,180	4,291	4,773	10,475	13,681	11,183	12,014	6,649	88,615	906,641	9.77
Portland, Oreg	2,761	2,256	2,168	1,906	5,874	13,887	9,410	8,784	8,385	7,664	5,393	2,544	71,032	241,349	29.43
Pueblo, Colo	0	0	0	0	0	0	0	0	0	0	0	0	0	400,683	0
Richmond, Va	3	26	92	206	1,377	1,648	1,401	858	744	383	372	296	7,496	8,461	88.59
St. Joseph, Mo	28,142	14,487	13,204	11,702	15,713	59,034	37,599	25,903	24,317	20,174	25,496	34,487	310,258	945,384	32.82
St. Louis, Mo	3,632	1,223	932	360	2,339	6,093	4,934	4,163	2,966	1,985	4,148	4,055	36,833	49,331	74.67
San Antonio, Tex	105	650	417	663	638	568	1,145	2,252	2,796	1,189	1,589	778	12,799	23,664	54.09
Seattle, Wash	305	184	28	48	502	564	1,776	3,027	3,205	2,089	720	350	12,807	69,197	18.51
Sioux City, Iowa	41,806	25,447	16,888	10,912	7,580	12,680	12,939	22,063	34,074	33,408	37,442	45,586	300,825	580,643	51.81
Sioux Falls, S. Dak	33,366	9,600	6,149	2,725	2,347	2,891	3,519	8,093	22,541	22,695	27,909	24,878	166,803	177,406	94.02
South St. Paul, Minn	80,178	47,144	24,904	10,699	7,570	9,526	14,009	26,369	59,864	91,729	95,142	68,934	536,068	1,290,319	41.55
South San Francisco, Calif	8,108	8,423	5,994	9,246	11,616	17,490	9,225	6,371	9,177	5,454	5,484	3,558	100,146	285,235	35.11
Spokane, Wash	356	719	442	526	725	1,889	1,475	3,181	2,122	3,553	1,255	702	16,945	58,556	28.94
Springfield, Ill	79	65	39	18	62	796	667	760	668	216	193	110	3,673	3,673	100.00
Springfield, Mo	1,386	757	740	935	6,972	18,624	24,561	5,817	2,820	2,000	2,052	1,461	68,125	69,732	97.70
Stockton, Calif	9,875	812	1,319	1,221	2,641	5,211	2,616	2,331	744	950	339	1,211	29,270	92,065	31.79
Toledo, Ohio	233	117	36	166	116	192	140	166	332	413	244	265	2,420	3,966	61.02
Tulsa, Okla	11	24	84	0	917	1,250	577	796	96	217	232	46	4,250	4,878	87.13
West Fargo, N. Dak	6,909	1,511	2,837	755	208	835	1,985	6,319	21,263	36,334	29,526	16,188	124,670	137,394	90.74
Wichita, Kans	10,632	5,928	8,670	6,910	18,539	12,603	5,069	5,766	3,896	3,586	4,136	10,929	96,664	169,662	56.97
Total drive-ins	607,454	386,707	351,971	410,755	515,363	695,352	574,105	596,553	651,875	598,711	655,251	596,074	6,640,181	----------	----------
Total receipts	2,063,317	1,590,923	1,576,270	1,881,965	2,209,429	1,878,618	1,907,784	2,751,817	2,993,500	2,697,281	1,785,163	1,643,324	----------	24,979,400	----------
Percentage drive-ins of receipts	29.4	24.3	22.3	21.8	23.3	37.0	30.1	21.7	21.8	22.2	36.7	36.3	----------	----------	26.58

Receipts and number and percent of drive-ins at 17 [1] markets combined, 1916–37

Year	Cattle			Calves			Hogs			Sheep and lambs			Total		
	Receipts	Drive-ins	Percent	Receipts	Drive-ins	Percent	Receipts	Drive-ins	Percent	Receipts	Drive-ins	Percent	Receipts	Drive-ins	Percent
1916	11, 876, 382	163, 621	1. 38	1, 463, 670	60, 821	4. 10	32, 545, 340	579, 102	1. 79	14, 194, 631	181, 015	1. 28	61, 100, 023	984, 559	1. 61
1917	15, 140, 701	237, 041	1. 56	1, 960, 418	126, 024	6. 43	28, 396, 707	842, 788	2. 97	13, 202, 540	217, 412	1. 64	58, 796, 366	1, 423, 265	2. 42
1918	16, 836, 363	289, 844	1. 72	2, 199, 542	161, 241	7. 32	33, 602, 329	1, 415, 649	4. 21	14, 860, 797	253, 931	1. 71	67, 499, 051	2, 120, 665	3. 14
1919	15, 858, 865	303, 376	1. 91	2, 995, 630	249, 502	8. 33	33, 524, 177	1, 921, 776	5. 73	17, 990, 867	394, 720	2. 20	70, 369, 539	2, 869, 374	4. 08
1920	13, 042, 481	280, 940	2. 22	3, 206, 363	304, 130	9. 49	29, 689, 136	2, 063, 212	6. 95	14, 724, 889	505, 202	3. 43	60, 662, 871	3, 152, 485	5. 21
1921	11, 132, 014	274, 206	2. 46	3, 371, 247	297, 939	8. 84	29, 140, 808	2, 273, 080	7. 80	14, 888, 875	615, 904	4. 14	58, 541, 944	3, 461, 129	5. 91
1922	13, 438, 902	387, 262	2. 88	3, 839, 949	362, 409	9. 44	31, 008, 172	2, 650, 799	8. 55	13, 462, 963	835, 336	6. 20	61, 749, 986	4, 235, 806	6. 86
1923	14, 357, 338	407, 227	2. 94	3, 901, 641	399, 552	10. 24	30, 762, 213	3, 294, 421	8. 39	14, 278, 026	869, 542	6. 09	71, 799, 218	5, 010, 752	6. 98
1924	12, 861, 535	465, 616	3. 36	4, 057, 974	423, 184	10. 43	30, 373, 337	3, 476, 902	8. 83	14, 378, 346	849, 714	5. 91	71, 671, 192	5, 215, 416	7. 28
1925	12, 724, 361	641, 770	4. 68	4, 310, 002	568, 909	13. 20	31, 639, 438	3, 504, 539	11. 08	14, 237, 520	861, 854	6. 05	62, 911, 341	5, 577, 072	8. 73
1926	13, 752, 749	791, 999	5. 76	4, 168, 628	657, 540	15. 77	28, 387, 423	4, 221, 536	14. 87	15, 539, 058	1, 108, 427	7. 13	61, 847, 858	6, 779, 502	10. 96
1927	12, 792, 744	947, 537	7. 41	3, 944, 529	706, 580	17. 91	29, 080, 509	5, 293, 380	18. 20	14, 683, 566	1, 385, 803	9. 44	60, 501, 348	8, 333, 300	13. 77
1928	11, 850, 417	1, 268, 194	10. 70	3, 803, 080	866, 824	22. 79	33, 164, 708	8, 105, 434	24. 44	15, 967, 472	1, 716, 570	10. 75	64, 785, 677	11, 957, 022	18. 46
1929	11, 394, 712	1, 573, 054	13. 81	3, 683, 256	1, 056, 409	28. 74	31, 928, 515	9, 477, 092	29. 68	16, 585, 061	2, 123, 270	12. 80	63, 591, 545	14, 231, 826	22. 38
1930	10, 941, 214	2, 035, 370	18. 60	3, 712, 342	1, 322, 947	35. 64	29, 534, 184	10, 512, 661	35. 59	18, 144, 574	2, 545, 430	14. 03	62, 332, 314	16, 416, 408	26. 34
1931	10, 712, 919	2, 664, 814	24. 87	3, 491, 930	1, 576, 052	45. 13	29, 188, 056	12, 994, 227	44. 52	20, 684, 051	3, 536, 990	17. 10	64, 076, 956	20, 772, 083	32. 42
1932	9, 334, 429	3, 237, 561	34. 68	3, 119, 912	1, 650, 476	52. 90	25, 730, 824	14, 056, 566	54. 68	18, 240, 241	3, 949, 693	21. 65	56, 425, 406	22, 894, 316	40. 57
1933	[2] 9, 853, 906	4, 500, 064	45. 67	3, 173, 227	1, 912, 919	60. 28	30, 046, 861	18, 864, 962	61. 56	16, 946, 746	4, 264, 928	25. 17	60, 020, 740	29, 542, 873	49. 73
1934	[2] 15, 343, 121	5, 763, 628	37. 56	5, 205, 402	2, 444, 849	46. 97	25, 247, 894	16, 862, 090	66. 79	16, 586, 051	4, 208, 873	25. 38	62, 382, 469	29, 279, 440	46. 94
1935	[2] 11, 192, 216	5, 757, 082	51. 44	3, 698, 251	2, 385, 825	64. 51	13, 840, 061	9, 609, 602	69. 43	15, 647, 631	4, 928, 867	31. 50	44, 378, 159	22, 081, 376	51. 11
1936	11, 763, 212	6, 645, 277	56. 49	3, 769, 986	2, 536, 011	67. 27	18, 828, 181	13, 319, 752	70. 74	15, 056, 946	4, 603, 549	30. 57	49, 418, 327	27, 104, 590	54. 85
1937	11, 182, 985	5, 859, 314	52. 39	4, 075, 738	2, 649, 054	65. 00	15, 410, 312	10, 917, 257	70. 84	15, 745, 990	4, 733, 790	30. 06	46, 415, 025	24, 159, 415	52. 05

[1] Chicago, Cincinnati, Denver, East St. Louis, Fort Worth, Indianapolis, Kansas City, Louisville, Milwaukee, Oklahoma City, Omaha, Portland, St. Joseph, St. Paul, Sioux City, Sioux Falls, and Wichita.

[2] Includes many pigs and sows received for Government account in Emergency Hog Production Control Program.

[3] Includes animals purchased for Federal Surplus Relief Corporation from June 6, 1934, to Feb. 7, 1935, for cattle and calves, and from Sept. 14 to Dec. 15, 1934, for sheep.

Receipts and drive-ins, 1937, with comparisons

CATTLE

Market	1937			1936			1935 [1]			10-year average, 1920-29		
	Receipts	Drive-ins	Percent	Receipts	Drive-ins	Percent	Receipts	Drive-ins	Percent	Receipts	Drive-ins	Percent
Chicago	1,960,992	707,024	35.69	2,234,065	777,351	34.80	1,972,180	695,614	35.27	2,946,902	37,678	1.28
Cincinnati	221,125	130,396	58.97	259,492	167,236	64.55	256,707	155,062	60.41	260,672	31,444	12.06
Denver	568,506	167,980	28.54	489,708	145,004	29.61	482,421	137,603	28.52	544,880	30,687	5.63
East St. Louis	953,317	473,480	49.67	913,901	537,853	58.86	1,071,833	503,112	46.94	972,049	30,502	3.14
Fort Worth	908,677	670,499	73.79	657,650	467,962	71.14	749,227	465,068	62.07	881,121	48,798	5.54
Indianapolis	340,859	285,246	83.66	342,123	302,410	88.39	317,732	267,053	84.06	295,731	63,325	21.41
Kansas City	1,562,163	431,573	27.63	1,435,947	531,811	37.04	1,610,240	520,920	32.35	2,206,284	39,253	1.78
Louisville	127,661	83,461	65.38	147,771	111,956	75.76	158,182	105,566	66.74	128,066	21,804	15.79
Milwaukee	218,191	145,941	66.89	214,834	127,989	59.58	200,029	130,755	65.36	126,510	21,658	17.12
Oklahoma City	498,511	453,377	90.95	518,203	482,890	93.19	519,613	480,271	92.43	204,150	40,507	13.77
Omaha	1,280,469	707,399	55.25	1,510,555	1,018,927	67.45	1,243,603	674,398	54.22	1,553,585	99,651	6.41
Portland	153,163	40,989	26.76	156,294	35,221	22.31	135,524	37,934	27.99	131,604	8,370	6.36
St. Joseph	347,032	202,137	58.25	382,181	266,516	69.74	375,389	219,001	58.34	552,392	32,411	5.87
St. Paul	930,246	531,253	57.11	1,106,434	544,716	49.23	910,785	454,610	49.91	909,530	56,662	6.23
Sioux City	636,965	449,966	70.64	912,253	704,052	77.16	736,275	536,824	72.91	751,146	92,614	12.33
Sioux Falls	123,691	120,305	97.26	178,210	170,144	95.47	108,886	104,194	95.69	29,331	14,115	48.12
Wichita	311,417	258,318	82.95	302,123	253,189	83.80	334,501	260,077	77.73	280,726	35,202	12.11
Total	11,182,995	5,859,314	52.39	11,763,212	6,645,277	56.49	11,192,216	5,757,062	51.44	12,894,727	704,661	5.47

[1] Includes cattle purchased for Federal Surplus Relief Corporation.

Receipts and drive-ins, 1937, with comparisons—Continued

CALVES

Market	1937			1936			1935			10-year average, 1920–29		
	Receipts	Drive-ins	Percent	Receipts	Drive-ins	Percent	Receipts	Drive-ins	Percent	Receipts	Drive-ins	Percent
Chicago	386,068	163,039	42.23	410,536	156,930	38.20	456,786	172,852	37.84	756,248	10,058	1.33
Cincinnati	134,513	94,248	70.07	122,202	98,667	80.74	120,926	98,985	81.86	157,212	59,178	37.64
Denver	84,606	49,402	58.39	73,767	40,102	54.36	78,279	43,274	55.28	60,308	10,844	17.98
East St. Louis	635,450	296,352	46.64	568,785	339,311	59.66	568,773	338,158	59.45	375,088	34,252	9.13
Fort Worth	491,890	364,852	74.17	373,865	299,886	80.21	368,661	259,353	70.35	318,171	34,506	10.85
Indianapolis	172,328	162,258	94.16	165,452	156,713	94.72	173,603	160,550	92.48	216,310	87,008	40.22
Kansas City	367,500	161,661	43.99	346,645	195,621	56.43	347,599	183,885	52.90	457,365	46,482	10.16
Louisville	122,983	73,221	59.54	111,330	84,342	75.76	139,337	80,038	57.44	103,224	49,243	47.70
Milwaukee	428,119	287,778	67.22	309,844	202,089	65.55	417,960	274,041	65.57	417,014	37,572	9.01
Oklahoma City	217,353	205,346	94.48	176,573	167,967	95.07	140,753	129,731	92.17	82,322	28,474	34.59
Omaha	178,906	110,142	61.56	162,154	111,362	68.68	138,539	82,471	59.53	105,030	22,606	21.52
Portland	22,492	11,398	50.68	23,611	7,768	32.90	14,144	7,359	52.03	17,806	1,435	8.06
St. Joseph	86,886	80,033	92.11	99,001	91,513	92.44	98,906	83,305	84.23	100,101	31,744	31.71
St. Paul	596,108	479,522	80.44	561,040	402,922	71.82	477,264	369,745	77.47	596,528	73,842	12.76
Sioux City	63,478	40,054	63.10	82,401	45,307	54.98	55,697	34,316	52.23	52,890	12,306	23.27
Sioux Falls	15,141	14,961	98.81	20,560	18,141	88.23	13,305	12,299	92.44	4,661	2,655	57.03
Wichita	71,917	54,787	76.18	71,822	57,370	79.88	77,719	55,463	71.36	[1] 68,389	[1] 22,340	32.67
Total	4,075,738	2,649,054	65.00	3,769,988	2,536,011	67.27	3,698,251	2,385,825	64.51	3,828,667	564,548	14.75

HOGS

Chicago	3,968,396	1,582,696	39.88	4,364,138	1,625,389	37.24	3,600,343	1,252,987	34.80	8,427,861	124,543	1.48
Cincinnati	902,045	684,401	85.33	867,884	646,744	74.52	731,077	544,124	74.43	1,332,182	321,938	24.17
Denver	320,960	211,823	66.00	496,635	195,807	39.43	362,919	142,123	39.16	466,200	78,304	16.80
East St. Louis	2,265,272	1,525,135	67.33	2,474,228	1,591,787	64.33	2,026,420	1,356,695	66.95	3,840,501	211,398	5.50

Fort Worth	380,637	326,439	93.10	372,004	336,912	90.57	290,505	185,230	63.76	388,423	69,204	17.82
Indianapolis	1,582,552	1,555,356	98.28	1,542,765	1,512,459	98.04	1,312,613	1,287,361	98.08	2,368,373	913,955	38.59
Kansas City	371,599	332,691	89.53	737,617	541,534	73.42	579,536	455,484	78.59	2,474,791	270,462	10.93
Louisville	205,921	191,754	93.12	205,402	169,191	82.37	179,807	170,554	94.85	410,087	137,700	33.58
Milwaukee	486,617	295,784	60.78	589,843	337,752	57.26	383,710	222,143	57.89	532,876	37,034	6.95
Oklahoma City	292,310	249,730	85.43	394,874	351,176	88.93	287,359	256,691	89.33	370,783	125,036	33.72
Omaha	1,109,662	842,056	75.88	1,762,808	1,574,254	89.30	1,140,208	1,061,945	93.14	3,081,916	571,813	18.55
Portland	229,233	116,911	51.00	215,489	95,769	44.44	140,691	71,239	50.64	251,051	43,574	17.36
St. Joseph	569,197	508,810	89.39	852,042	833,709	97.85	662,997	652,332	98.39	1,836,133	342,750	18.67
St. Paul	1,590,607	1,323,600	83.21	1,994,944	1,634,438	81.93	931,203	787,964	84.62	3,008,308	219,380	7.30
Sioux City	827,170	755,604	91.35	1,382,343	1,335,068	96.58	850,257	824,258	96.94	2,574,861	676,145	26.26
Sioux Falls	201,900	201,723	99.91	302,538	301,705	99.72	175,798	175,602	99.94	343,837	150,777	43.85
Wichita	236,182	212,744	90.08	272,627	236,059	86.59	184,618	162,810	88.19	615,144	145,997	23.73
Total	15,410,312	10,917,257	70.84	18,828,181	13,319,753	70.74	13,840,061	9,609,602	69.43	32,318,336	4,440,040	13.74

SHEEP AND LAMBS

Chicago	2,500,966	351,717	14.06	2,595,393	367,267	14.15	2,940,721	481,368	16.37	4,075,925	25,636	0.63
Cincinnati	377,043	182,903	48.45	345,704	211,542	61.19	367,336	238,779	65.00	331,628	72,308	21.80
Denver	3,098,234	133,115	4.30	3,023,893	121,947	4.03	2,903,358	83,166	2.86	1,998,630	51,771	2.59
East St. Louis	1,040,966	448,814	42.75	708,863	474,315	66.93	764,620	465,833	60.92	573,126	44,231	7.72
Fort Worth	1,280,807	738,091	58.19	609,733	360,366	59.09	646,664	412,801	63.79	403,365	29,740	7.37
Indianapolis	441,647	392,953	88.91	466,174	434,251	93.15	449,532	417,060	92.78	178,189	83,797	47.04
Kansas City	1,468,635	305,081	20.77	1,276,618	332,559	26.05	1,397,101	314,346	22.50	1,667,892	105,430	6.32
Louisville	280,796	218,423	77.79	244,494	224,012	91.99	267,262	220,471	77.53	240,049	85,388	35.57
Milwaukee	97,466	55,209	56.64	107,385	62,244	57.96	108,813	68,530	62.97	51,530	5,[illegible]	10.15
Oklahoma City	160,257	113,263	70.63	120,709	104,796	86.82	141,087	130,624	92.58	15,441	7,71[illegible]	49.95
Omaha	1,665,330	293,122	18.49	1,617,261	322,537	19.96	1,672,966	324,314	19.39	2,786,113	242,272	8.70
Portland	241,349	71,092	29.43	224,629	68,987	30.70	248,188	88,635	35.71	194,107	26,591	13.97
St. Joseph	945,384	310,258	32.82	1,048,461	321,526	30.67	1,068,445	304,041	28.46	1,156,019	179,934	15.54
St. Paul	1,260,319	530,002	41.55	1,467,363	476,733	32.06	1,362,424	418,430	30.71	664,334	37,786	5.53

[1] 9-year average.

Receipts and drive-ins, 1937, with comparisons—Continued

SHEEP AND LAMBS—Continued

Market	1937			1936			1935			10-year average, 1920–29		
	Receipts	Drive-ins	Percent	Receipts	Drive-ins	Percent	Receipts	Drive-ins	Percent	Receipts	Drive-ins	Percent
Sioux City	580,643	300,825	51.81	843,081	427,821	50.75	967,001	700,673	72.46	413,880	62,044	14.99
Sioux Falls	177,400	166,903	94.02	192,625	170,774	88.66	160,239	139,346	86.96	5,370	1,761	32.79
Wichita	169,662	96,664	56.97	144,790	120,689	83.36	151,897	110,758	72.92	99,820	25,447	25.49
Total	15,745,990	4,733,790	30.06	15,056,946	4,603,549	30.57	15,647,631	4,928,867	31.50	14,874,578	1,087,172	7.31

Drive-ins

CATTLE

Market	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934 [1]	1935 [1]	1936	1937
Chicago	6,917	12,634	16,767	20,191	35,457	51,845	55,290	71,014	100,460	129,117	182,295	298,259	434,142	667,472	695,614	777,381	707,024
Cincinnati [1]	22,339	28,619	27,115	28,402	29,863	31,494	33,713	42,636	42,638	48,339	52,199	86,494	107,109	132,094	155,062	167,256	130,306
Denver	19,644	29,361	24,110	29,443	32,045	23,062	35,024	47,498	46,609	50,018	70,353	88,331	94,494	125,763	137,603	145,004	167,950
East St. Louis	9,795	11,387	10,149	9,942	16,854	30,019	37,297	67,420	100,602	163,850	189,702	307,606	434,711	449,907	503,112	537,853	473,480
Fort Worth	23,749	34,616	39,426	48,422	70,964	47,995	60,971	68,543	76,747	87,076	134,632	179,081	238,189	290,909	465,068	467,862	670,499
Indianapolis	45,102	51,711	47,662	51,523	60,836	66,891	76,513	84,850	100,000	123,600	137,639	180,313	204,053	218,433	267,053	302,410	285,248
Kansas City	16,463	23,224	23,907	26,539	34,587	40,196	48,951	62,860	99,307	140,688	185,649	293,905	431,393	543,349	530,920	531,811	431,573
Louisville	15,128	18,400	17,260	15,038	18,198	22,072	26,250	32,075	31,329	35,494	39,566	47,350	54,089	83,922	105,566	111,956	83,461
Milwaukee	6,783	11,933	11,859	12,710	21,625	26,523	35,743	40,558	43,354	54,664	68,969	82,017	94,189	132,744	139,755	127,960	145,941
Oklahoma City	19,595	36,147	31,759	26,565	39,987	39,494	50,225	68,133	77,130	96,264	107,471	159,380	255,918	294,415	480,271	462,890	453,377
Omaha	20,744	30,426	27,551	50,410	65,064	113,091	155,201	219,706	281,179	370,414	494,113	541,962	755,265	1,036,114	674,398	1,018,927	707,309
Portland	4,091	5,570	4,906	4,560	8,540	10,180	11,500	14,253	15,217	17,767	18,256	21,264	23,472	24,987	37,934	35,221	40,269

St. Joseph	12,400	17,048	24,259	25,167	29,656	32,820	30,203	56,616	74,221	98,231	137,137	185,520	244,280	330,571	219,001	266,516	302,137	
St. Paul	18,039	28,903	28,448	33,708	50,643	75,456	77,736	114,895	125,637	160,479	240,997	280,149	400,130	510,346	454,610	544,716	531,253	
Sioux City	15,285	27,103	35,969	53,473	79,786	130,108	137,417	183,273	249,611	302,346	385,524	290,129	481,603	630,601	536,824	704,052	449,966	
Sioux Falls	2,512	4,404	6,398	4,366	8,168	12,936	19,068	32,981	47,628	76,785	122,777	72,250	123,971	131,856	104,194	170,144	120,305	
Wichita	15,120	20,696	23,692	21,163	39,495	37,824	47,439	60,881	61,285	82,167	97,375	121,629	142,977	160,145	260,077	253,189	258,318	
Total	274,206	387,262	407,287	465,616	641,770	791,999	947,537	1,268,194	1,573,054	2,036,370	2,664,814	3,237,581	4,500,064	5,763,628	5,757,282	6,645,277	5,869,314	

CALVES

Chicago	2,587	3,769	4,462	3,964	6,402	7,585	10,693	23,543	35,545	45,962	70,175	89,093	126,166	174,125	172,882	186,930	163,069	
Cincinnati [1]	55,332	59,526	60,711	55,629	56,522	55,103	52,155	62,020	66,409	71,627	81,881	86,474	92,510	110,063	98,985	98,667	94,248	
Denver	3,892	6,035	6,960	7,286	15,616	12,198	13,743	17,120	22,483	23,179	27,437	29,416	30,907	39,532	43,274	40,102	49,402	
East St. Louis	8,323	11,444	9,499	11,486	23,339	34,490	46,031	70,011	111,290	148,184	184,924	214,614	278,559	342,993	338,158	339,311	296,352	
Fort Worth	10,035	15,154	14,905	15,231	31,549	41,560	50,731	71,748	85,874	110,077	86,642	103,785	147,989	211,076	259,355	299,896	364,852	
Indianapolis	74,707	74,557	79,807	80,650	89,802	93,782	93,081	99,432	107,396	123,314	136,656	124,352	139,878	164,623	160,550	156,713	162,258	
Kansas City	23,990	30,056	36,581	40,930	53,074	59,153	60,494	61,782	74,496	98,351	102,782	109,287	128,159	189,647	183,885	195,621	161,661	
Louisville	45,460	53,820	51,061	44,752	43,708	48,552	48,712	51,415	51,557	56,341	68,521	65,379	74,545	90,031	80,038	84,342	73,221	
Milwaukee	14,820	21,872	23,172	24,359	35,390	39,659	48,553	63,696	93,471	149,294	203,208	230,506	275,280	294,468	274,041	262,089	287,778	
Oklahoma City	7,829	15,725	19,749	21,675	32,280	34,100	33,796	47,911	61,665	61,951	57,606	46,200	50,652	80,758	120,731	167,967	205,346	
Omaha	6,830	8,446	10,207	12,303	23,377	29,577	38,653	42,731	46,203	44,389	48,398	51,386	49,618	111,230	82,471	111,362	110,142	
Portland	1,021	970	824	538	1,093	2,026	1,977	1,835	3,317	3,416	4,784	5,088	6,318	7,265	7,359	7,766	11,368	
St. Joseph	18,209	20,087	20,231	27,161	35,097	39,117	41,723	44,301	50,965	57,450	53,928	60,668	64,525	103,694	83,305	91,513	80,033	
St. Paul	11,595	21,648	33,159	47,831	76,623	105,025	108,631	143,231	181,151	254,511	300,603	360,666	373,323	445,143	369,745	402,222	479,522	
Sioux City	3,830	3,963	5,006	7,547	12,938	21,025	21,027	20,818	23,409	25,343	20,224	20,184	19,660	41,168	34,316	45,307	40,054	
Sioux Falls	293	342	1,334	909	17,767	3,365	3,853	6,609	7,828	11,879	15,443	10,673	12,394	22,178	12,290	18,141	14,961	
Wichita	9,186	14,636	18,884	20,743	29,832	30,879	32,417	32,861	34,262	37,670	37,471	35,792	42,416	46,838	55,463	57,370	54,787	
Total	297,939	362,409	399,552	423,184	568,909	657,540	706,580	866,834	1,068,409	1,322,947	1,476,052	1,650,476	1,912,919	2,444,849	2,315,825	2,536,011	2,649,054	

[1] Includes driven-in calves purchased for Federal Surplus Relief Corporation.

[2] Sale stock only, prior to January 1932.

Drive-ins—Continued

HOGS

Market	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931	1932	1933 [1]	1934	1935	1936	1937
Chicago	51,091	51,838	62,203	53,944	68,070	92,487	148,251	304,957	379,481	462,678	682,675	1,110,156	1,953,777	1,986,699	1,252,957	1,625,389	1,582,696
Cincinnati [2]	276,023	288,126	303,980	287,906	239,109	280,429	367,727	471,266	455,559	441,580	504,268	598,864	843,594	717,605	544,124	646,744	684,401
Denver	30,612	50,862	64,985	92,704	78,250	66,924	73,950	127,366	163,369	168,820	237,479	309,091	294,275	260,875	142,123	195,807	211,828
East St. Louis	26,747	38,286	73,055	92,309	90,622	230,300	227,599	484,436	803,076	939,462	1,165,056	1,638,262	2,399,318	2,088,029	1,356,695	1,591,787	1,525,135
Fort Worth	38,650	52,153	49,029	44,056	50,154	55,165	92,708	159,541	134,388	96,167	75,949	105,452	206,945	154,045	185,230	336,912	326,439
Indianapolis	808,195	734,281	934,960	922,904	768,628	745,505	880,078	1,203,934	1,353,580	1,259,711	1,368,800	1,572,857	2,068,429	1,930,468	1,287,361	1,512,459	1,555,356
Kansas City	121,038	145,678	165,438	197,104	183,454	235,234	306,016	526,049	708,909	790,254	689,029	848,823	1,436,960	937,540	455,484	541,534	332,691
Louisville	118,233	155,678	168,121	124,611	85,104	115,008	172,109	169,474	141,392	120,027	86,887	134,662	236,920	217,512	170,554	169,191	191,754
Milwaukee	12,071	18,290	23,196	24,052	26,179	39,933	56,017	67,042	91,236	118,241	188,118	210,101	267,641	243,864	222,143	337,752	295,784
Oklahoma City	80,893	105,454	117,430	97,264	98,134	88,754	132,866	245,750	271,623	240,910	214,286	350,847	621,199	274,689	256,691	351,176	249,730
Omaha	216,894	264,614	360,702	414,900	433,362	526,095	743,642	1,204,035	1,372,341	1,573,060	2,048,165	2,176,572	2,248,664	2,185,148	1,061,945	1,574,254	842,056
Portland	31,435	26,606	29,833	37,627	36,367	44,415	56,999	71,303	64,211	55,351	84,804	77,252	68,412	56,532	71,290	95,769	116,911
St. Joseph	165,169	192,291	234,396	247,511	235,159	279,994	387,975	700,238	855,539	958,345	1,056,240	1,079,595	1,611,691	1,532,211	652,332	833,709	508,810
St. Paul	42,124	65,315	122,302	150,614	218,640	264,287	353,573	423,363	488,643	733,007	1,361,849	1,362,840	1,627,023	1,432,148	787,964	1,634,438	1,323,600
Sioux City	179,931	277,514	383,448	483,307	665,394	845,871	922,405	1,378,219	1,491,667	1,660,250	2,164,469	1,707,898	1,936,197	1,986,602	824,258	1,335,068	755,604
Sioux Falls	60,445	105,589	117,477	75,866	86,673	166,406	191,863	296,536	397,118	584,882	827,270	396,763	428,817	389,323	175,692	301,705	201,723
Wichita	43,529	78,224	123,866	130,223	141,240	134,729	179,002	271,825	304,961	309,918	258,883	376,531	525,100	248,800	162,810	236,059	212,744
Total	2,273,080	2,650,799	3,334,421	3,476,902	3,504,539	4,221,536	5,293,380	8,105,434	9,477,093	10,512,661	12,994,227	14,056,566	18,864,962	16,862,096	9,609,602	3,319,753	10,917,257

[1] Includes many pigs and sows received for Government account in Emergency Hog Production Control Program.
[2] Sale stock only, prior to January 1932.

SHEEP AND LAMBS

Market	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934 [1]	1935	1936	1937
Chicago	3,614	6,315	6,035	9,509	16,485	21,564	39,209	62,521	88,498	125,947	169,939	268,158	348,917	354,632	481,368	367,267	351,727
Cincinnati [2]	64,637	64,446	53,678	55,151	60,317	62,632	83,359	94,009	122,438	130,525	219,614	322,640	338,977	224,515	238,779	211,542	182,663
Denver	33,990	71,875	59,740	53,573	50,987	38,463	64,445	55,849	51,921	52,176	85,315	76,151	70,897	59,240	83,166	121,947	133,115
East St. Louis	9,666	20,321	16,136	16,576	30,557	47,104	65,695	92,347	138,350	190,755	257,782	365,766	380,888	369,624	465,833	474,315	448,814
Fort Worth	17,968	21,193	17,338	25,295	27,794	38,832	41,815	48,627	46,278	54,584	160,599	394,799	355,494	308,112	412,501	360,305	758,091
Indianapolis	68,201	62,818	57,052	58,424	67,386	82,991	108,325	119,731	154,348	208,885	260,523	283,718	294,573	288,126	417,060	434,251	392,683
Kansas City	67,271	111,925	98,053	82,486	83,069	110,104	133,432	141,461	180,403	225,114	300,412	319,515	341,833	327,717	314,346	332,559	305,031
Louisville	73,429	75,526	74,062	58,278	85,100	84,064	99,125	108,658	113,581	115,554	158,489	175,541	201,715	171,613	230,471	224,912	218,432
Milwaukee	1,939	3,110	2,794	3,251	3,709	4,934	7,921	9,931	13,076	21,408	34,499	48,997	47,143	47,560	68,520	62,244	55,209
Oklahoma City	4,771	7,278	3,243	4,010	6,268	7,377	9,753	12,511	18,439	35,903	54,738	74,622	75,845	78,525	130,624	104,798	113,263
Omaha	131,908	234,804	216,598	253,704	138,425	242,732	272,953	356,826	403,399	424,512	589,522	527,014	514,783	441,082	324,314	322,837	293,122
Portland	14,175	19,786	18,057	19,650	20,523	33,874	35,182	46,611	44,517	84,514	128,753	87,379	68,888	65,229	88,635	68,967	71,032
St. Joseph	98,552	95,812	106,365	145,106	171,567	182,805	238,159	302,261	368,354	345,956	381,600	308,726	367,717	355,946	304,041	321,526	310,258
St. Paul	5,401	10,244	12,206	21,572	29,975	44,675	57,244	80,902	113,082	162,265	260,590	317,781	352,859	381,053	418,430	476,795	536,068
Sioux City	15,049	17,958	15,477	22,570	42,243	71,311	86,391	132,634	206,232	290,819	368,278	276,731	358,470	477,327	700,673	427,821	300,825
Sioux Falls	204	222	1,609	2,764	1,083	3,004	1,430	3,462	3,350	7,252	22,170	22,681	46,420	121,924	139,348	170,774	166,803
Wichita	5,129	11,703	10,499	17,795	26,276	31,961	41,455	48,229	57,004	69,226	64,017	77,474	99,509	96,648	110,758	120,689	96,664
Total	615,904	835,336	869,542	849,714	861,854	1,108,427	1,385,893	1,718,570	2,123,270	2,545,430	3,536,990	3,949,693	4,264,928	4,208,873	4,928,867	4,603,649	4,733,790

[1] Includes driven-in sheep purchased for Federal Surplus Relief Corporation.

[2] Sale stock only, prior to January 1932.

Drive-ins—Percentage of receipts

CATTLE

Market	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937
Chicago	0.23	0.25	0.40	0.50	0.63	1.17	1.59	1.92	2.83	4.21	5.77	7.97	14.87	22.46	24.47	35.27	34.80	35.69
Cincinnati [1]	9.66	7.91	10.12	10.35	10.60	11.47	12.65	13.45	18.43	18.28	20.68	23.85	39.15	48.39	33.65	60.41	64.55	58.97
Denver	3.52	4.50	5.00	4.30	5.15	6.08	4.88	6.07	8.05	8.39	9.90	16.01	24.18	27.18	19.87	28.52	29.61	28.54
East St. Louis	1.19	1.23	1.11	.98	.96	1.62	2.79	3.71	7.50	12.10	19.99	23.95	43.41	59.83	36.72	46.94	58.86	49.67
Fort Worth	1.89	4.15	4.56	4.16	4.62	6.69	5.08	6.38	7.74	10.07	13.66	22.53	40.32	57.12	38.45	62.07	71.14	73.79
Indianapolis	13.74	15.66	17.01	15.47	16.01	20.35	22.65	26.82	33.90	39.19	51.73	67.81	79.48	85.42	63.64	84.05	88.39	83.68
Kansas City	.78	.80	.95	.91	1.07	1.44	1.84	2.36	3.38	5.41	7.81	11.15	18.72	29.89	24.08	32.35	57.04	27.63
Louisville	12.02	10.17	10.99	11.81	14.42	13.30	18.77	20.15	23.96	27.15	37.56	47.54	56.01	68.18	52.71	66.74	75.76	65.38
Milwaukee	5.00	7.26	10.11	10.60	11.89	17.08	17.39	22.74	26.82	31.50	36.25	44.59	52.27	51.92	45.30	66.86	59.58	66.89
Oklahoma City	4.57	7.25	10.90	9.40	9.25	13.31	15.68	17.00	25.95	30.48	38.98	53.25	69.14	78.67	54.60	92.43	93.19	90.95
Omaha	1.52	1.55	1.89	2.23	2.86	4.08	6.68	10.60	15.44	19.47	24.95	31.47	40.65	53.29	52.56	54.23	67.45	55.25
Portland	3.75	3.69	4.39	3.36	3.13	5.75	7.09	8.72	12.21	12.89	14.91	15.43	20.03	21.95	17.56	27.99	22.31	26.76
St. Joseph	2.30	2.57	3.08	3.99	4.18	4.87	5.83	7.24	11.08	14.83	21.38	31.70	51.49	61.18	50.85	58.34	69.74	58.25
St. Paul	1.84	2.89	2.57	3.39	4.27	5.09	6.39	8.14	12.52	14.30	20.60	29.70	40.61	47.91	34.58	49.91	49.23	57.11
Sioux City	1.97	2.60	3.92	5.04	6.70	9.44	14.71	18.40	24.43	32.09	39.04	50.15	53.21	62.25	53.27	72.91	77.18	70.64
Sioux Falls	19.75	15.67	14.54	24.96	36.13	38.50	43.25	63.31	70.19	70.67	82.02	91.93	93.58	93.93	92.68	95.69	95.47	97.26
Wichita [2]	11.33	6.55	6.66	6.15	6.83	11.83	14.43	14.57	19.29	25.56	30.84	41.39	58.81	69.58	35.43	77.73	83.89	82.95
Total	2.22	2.46	2.88	2.94	3.36	4.68	5.76	7.41	10.70	13.81	18.60	24.87	34.68	45.67	37.56	51.44	56.49	52.39

CALVES

Chicago	0.28	0.35	0.49	0.59	0.50	0.76	1.00	1.50	3.09	5.29	8.26	12.84	19.94	28.65	23.62	37.84	38.20	42.23
Cincinnati [1]	42.57	33.49	36.56	37.12	32.03	32.95	33.62	34.14	46.38	53.48	61.05	66.59	72.93	77.83	80.62	81.86	80.74	70.07
Denver	6.68	8.65	8.68	11.91	12.42	25.93	21.62	21.76	22.29	32.83	26.42	42.63	49.59	43.78	29.87	55.28	54.36	58.39
East St. Louis	3.62	2.98	3.06	2.65	3.28	5.87	7.62	10.36	18.31	28.43	38.66	48.84	60.31	71.11	58.10	59.45	59.66	46.64

Fort Worth	2.80	2.44	4.67	4.79	4.45	10.18	17.26	15.36	22.06	26.54	33.21	35.60	49.63	66.34	55.40	70.35	80.21	74.17
Indianapolis	31.09	38.28	36.46	36.36	33.93	36.15	38.18	45.81	52.82	61.88	70.78	83.48	91.92	95.18	88.40	92.48	94.72	94.16
Kansas City	6.17	5.73	5.58	6.35	7.16	9.66	13.66	15.12	17.60	21.78	27.01	35.16	38.46	46.43	31.92	52.90	56.43	43.99
Louisville	56.53	46.78	46.95	46.65	45.30	42.25	49.95	48.81	45.34	49.66	53.46	70.53	73.23	75.59	74.11	57.44	75.76	59.54
Milwaukee	3.12	4.29	5.66	5.78	5.73	7.67	8.13	10.50	15.14	21.09	30.69	39.50	47.38	55.82	54.54	65.57	65.55	67.22
Oklahoma City	20.57	17.41	31.09	25.78	21.42	31.14	38.67	38.55	47.77	50.75	53.59	72.25	78.50	86.86	40.95	92.17	95.07	94.48
Omaha	9.63	7.26	6.39	9.52	11.87	20.11	24.04	39.61	45.22	45.26	36.91	40.40	42.85	41.33	40.00	59.53	68.68	61.56
Portland	7.09	11.14	7.63	2.80	1.80	4.00	9.74	12.08	14.29	25.00	53.05	48.51	51.77	65.80	41.66	52.03	32.90	50.68
St. Joseph	19.44	23.98	20.00	23.00	23.12	28.05	33.78	41.95	51.12	57.09	57.20	77.95	78.82	76.39	71.90	84.23	92.44	92.11
St. Paul	2.47	3.21	4.74	6.50	8.96	11.95	14.39	17.32	25.02	33.15	45.50	59.68	66.28	72.44	52.97	77.47	71.82	80.44
Sioux City	9.82	11.97	7.11	11.00	19.96	24.90	24.93	34.04	33.25	38.08	30.88	35.48	41.53	35.20	18.54	52.23	54.98	63.10
Sioux Falls	12.87	29.45	20.04	27.61	50.17	53.97	53.83	73.43	73.03	66.30	76.55	92.88	95.61	88.06	87.75	92.44	88.23	98.81
Wichita	(1)	18.71	18.24	25.05	26.27	35.95	45.69	40.57	41.49	37.56	36.97	47.58	70.72	75.60	34.76	71.36	79.88	76.18
Total	9.49	8.84	9.44	10.24	10.43	13.20	15.77	17.91	22.79	28.74	35.64	45.13	52.90	60.28	46.97	64.51	67.27	65.00

HOGS

Chicago	0.44	0.63	0.64	0.59	0.52	0.85	1.30	1.92	3.57	4.63	5.88	8.60	16.81	25.08	30.52	34.80	37.24	39.88
Cincinnati [1]	16.86	19.24	21.39	21.70	21.09	22.98	26.78	29.34	30.07	32.82	37.58	46.52	48.92	64.02	66.42	74.43	74.52	85.33
Denver	9.97	9.16	12.87	13.12	16.29	16.74	13.46	16.18	22.45	30.34	32.95	39.77	47.41	38.16	36.79	39.16	39.43	66.00
East St. Louis	1.40	.80	1.06	1.51	2.02	2.58	6.51	6.13	12.00	20.78	27.16	39.22	62.38	72.11	70.54	66.95	64.33	67.33
Fort Worth	8.77	10.11	10.22	10.09	11.23	16.07	16.19	27.42	36.96	33.45	34.43	35.11	41.32	59.64	38.16	63.76	90.57	93.10
Indianapolis	27.17	29.99	32.40	32.51	32.21	37.19	42.09	47.84	53.25	63.09	73.49	86.74	93.93	97.03	97.77	98.06	98.04	98.28
Kansas City	46.9	5.49	5.49	4.58	5.72	8.88	11.55	16.08	22.00	28.63	39.22	51.55	62.60	69.18	74.29	78.59	73.42	89.58
Louisville	29.73	30.13	31.32	26.87	26.49	28.81	40.83	43.44	42.33	45.08	47.06	39.52	65.53	82.15	89.25	94.85	82.37	93.12
Milwaukee	2.22	2.47	3.92	4.18	4.60	5.71	6.51	9.95	13.34	15.10	20.56	30.26	36.88	39.10	46.50	57.89	57.26	60.78
Oklahoma City	12.38	13.73	20.91	24.07	29.96	35.62	40.70	46.70	55.72	59.01	72.15	77.09	87.10	91.00	74.48	89.33	88.93	85.43
Omaha	6.70	8.14	9.32	9.88	10.43	12.92	19.87	28.27	37.87	43.35	46.78	58.11	70.72	76.22	83.51	93.14	89.30	75.88
Portland	21.13	20.96	11.86	10.41	10.55	13.70	19.22	23.04	28.41	23.80	22.73	25.86	29.94	29.90	27.57	50.64	44.44	51.00
St. Joseph	6.75	9.25	9.33	9.54	11.08	14.06	19.16	27.22	40.62	52.60	66.26	79.92	88.06	93.98	97.38	98.39	97.85	89.39
St. Paul	1.55	1.91	2.59	3.66	4.01	6.01	8.53	11.39	14.59	17.03	26.57	41.89	52.42	59.33	75.97	84.62	81.93	83.21

[1] Sale stock only, prior to January 1932.

[2] Calves included with cattle at Wichita for 1920.

[3] Calves included with cattle.

Drive-ins—Percentage of receipts—Continued

HOGS—Continued

Market	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937
Sioux City	6.15	10.35	14.95	12.83	12.95	19.59	34.18	39.72	50.05	64.48	71.66	81.81	87.35	84.66	96.10	96.94	96.58	91.35
Sioux Falls	3.97	13.37	19.82	23.35	62.19	45.25	57.82	70.24	81.37	85.41	89.23	94.38	98.02	99.14	99.46	99.94	99.72	99.91
Wichita	13.69	11.80	13.76	17.54	17.75	22.39	25.72	29.55	34.03	36.62	55.22	54.64	58.69	72.29	67.64	88.19	86.59	90.08
Total	6.95	7.80	8.55	8.39	8.83	11.08	14.87	18.20	24.44	29.68	35.59	44.52	54.63	61.56	66.79	69.43	70.74	70.84

SHEEP AND LAMBS

Chicago	0.06	0.08	0.16	0.15	0.23	0.42	0.49	1.02	1.62	2.34	2.91	3.79	6.84	9.87	11.81	16.37	14.15	14.06
Cincinnati [1]	17.05	14.76	16.34	15.56	16.85	16.31	19.02	26.10	44.59	56.56	56.00	48.05	62.72	84.49	78.47	65.00	61.19	48.45
Denver	1.77	2.32	3.85	3.22	2.63	2.16	2.11	3.38	2.43	2.27	2.53	3.41	2.69	2.44	2.37	2.86	4.03	4.30
East St. Louis	.92	1.52	3.24	2.88	3.39	5.47	7.41	11.44	18.10	25.89	32.67	32.00	51.45	57.83	56.91	60.92	66.93	42.75
Fort Worth	2.96	5.03	6.52	4.65	6.79	8.84	8.72	9.41	10.62	8.57	12.63	13.69	32.97	45.65	51.64	63.79	59.09	59.19
Indianapolis	43.21	47.17	42.74	46.05	47.59	45.94	37.58	50.22	53.29	57.22	72.86	75.49	72.84	79.69	79.74	92.78	93.15	88.91
Kansas City	2.73	3.78	7.11	5.87	5.26	5.54	6.25	8.26	8.01	10.29	11.17	13.39	17.40	20.45	20.00	22.50	26.05	20.77
Louisville	29.57	25.65	23.73	27.96	27.32	37.08	36.40	45.36	54.63	69.96	68.81	78.95	78.34	75.03	73.57	77.53	91.99	77.79
Milwaukee	2.51	3.29	6.98	7.00	8.79	8.46	9.50	15.85	18.40	17.67	23.22	33.39	45.68	52.68	54.06	62.97	57.96	56.64
Oklahoma City	23.50	26.76	40.69	34.95	43.50	61.88	53.64	50.23	74.39	72.99	69.39	61.03	44.94	77.35	59.79	92.58	86.82	70.63
Omaha	2.47	4.79	9.27	10.66	8.92	5.72	8.73	10.48	11.75	13.31	12.45	16.80	22.07	24.22	22.41	19.39	19.26	18.49
Portland	6.16	4.30	9.65	10.06	9.86	11.49	18.63	23.41	33.29	31.52	47.67	54.45	42.19	35.95	30.60	35.71	30.70	29.43
St. Joseph	10.72	10.59	13.13	10.86	13.33	15.01	14.03	17.67	19.13	22.52	21.17	24.27	23.91	29.82	31.12	28.46	30.67	32.82
St. Paul	.35	.85	2.05	2.69	4.53	5.50	5.78	8.12	9.08	9.93	11.98	16.60	20.87	22.74	24.06	30.71	32.06	41.55
Sioux City	2.95	5.22	8.06	7.18	7.29	11.74	15.89	16.40	23.33	24.54	24.48	28.80	35.65	41.81	40.91	72.46	50.75	51.81
Sioux Falls	9.91	13.50	13.37	30.96	56.85	40.84	37.48	15.63	42.33	43.87	78.05	83.64	83.48	73.43	65.70	86.96	88.66	94.02
Wichita	11.16	16.16	14.22	8.77	21.22	29.46	25.51	28.39	34.41	40.59	62.19	59.75	63.09	66.76	66.30	72.92	83.26	56.97
Total	3.43	4.14	6.20	6.09	5.91	6.05	7.13	9.44	10.75	12.80	14.03	17.10	21.65	25.17	25.38	31.50	30.57	30.06

[1] Sale stock only, prior to January 1932.

Drive-ins—according to number received, 1937

	Cattle		Calves		Hogs		Sheep and lambs		All species combined	
1	Omaha	707,399	St. Paul	479,522	Chicago	1,582,696	Fort Worth	758,091	St. Paul	2,870,443
2	Chicago	707,024	Fort Worth	364,852	Indianapolis	1,555,356	St. Paul	536,068	Chicago	2,804,476
3	Fort Worth	670,499	East St. Louis	296,352	East St. Louis	1,525,135	East St. Louis	448,814	East St. Louis	2,743,781
4	St. Paul	531,253	Milwaukee	287,778	St. Paul	1,323,600	Indianapolis	392,683	Indianapolis	2,395,543
5	East St. Louis	473,480	Oklahoma City	205,346	Omaha	842,056	Chicago	351,717	Fort Worth	2,119,881
6	Oklahoma City	453,377	Chicago	163,039	Sioux City	755,604	St. Joseph	310,258	Omaha	1,952,719
7	Sioux City	449,966	Indianapolis	162,258	Cincinnati	684,401	Kansas City	305,011	Sioux City	1,546,449
8	Kansas City	431,573	Kansas City	161,661	St. Joseph	508,810	Sioux City	300,525	Kansas City	1,230,956
9	Indianapolis	285,246	Omaha	110,142	Kansas City	332,691	Omaha	293,122	St. Joseph	1,101,238
10	Wichita	258,318	Cincinnati	94,248	Fort Worth	326,439	Louisville	218,432	Cincinnati	1,091,706
11	St. Joseph	202,137	St. Joseph	80,033	Milwaukee	295,784	Cincinnati	182,633	Oklahoma City	1,021,716
12	Denver	167,950	Louisville	73,221	Oklahoma City	249,730	Sioux Falls	166,803	Milwaukee	784,712
13	Milwaukee	145,941	Wichita	54,787	Wichita	212,744	Denver	133,115	Wichita	622,[illegible]
14	Cincinnati	130,396	Denver	49,402	Denver	211,823	Oklahoma City	113,263	Louisville	566,868
15	Sioux Falls	120,305	Sioux City	40,054	Sioux Falls	201,723	Wichita	96,684	Denver	562,290
16	Louisville	83,461	Sioux Falls	14,961	Louisville	191,754	Portland	71,052	Sioux Falls	503,792
17	Portland	40,989	Portland	11,398	Portland	116,911	Milwaukee	55,209	Portland	240,330
17 markets combined		5,859,314		2,649,054		10,917,257		4,733,790		24,159,415

Drive-ins—according to percentage of receipts, 1937

	Cattle		Calves		Hogs		Sheep and lambs		All species combined	
1	Sioux Falls	97.26	Sioux Falls	98.81	Sioux Falls	99.91	Sioux Falls	94.02	Sioux Falls	97.23
2	Oklahoma City	90.95	Oklahoma City	94.48	Indianapolis	98.28	Indianapolis	88.91	Indianapolis	94.41
3	Indianapolis	83.68	Indianapolis	94.16	Louisville	93.12	Louisville	77.79	Oklahoma City	87.44
4	Wichita	82.95	St. Joseph	92.11	Fort Worth	93.10	Oklahoma City	70.63	Wichita	78.88
5	Fort Worth	73.79	St. Paul	80.44	Sioux City	91.35	Fort Worth	59.19	Louisville	76.88
6	Sioux City	70.64	Wichita	76.18	Wichita	90.08	Wichita	56.97	Sioux City	73.35
7	Milwaukee	66.89	Fort Worth	74.17	Kansas City	89.53	Milwaukee	56.64	Cincinnati	71.13
8	Louisville	65.38	Cincinnati	70.07	St. Joseph	89.39	Sioux City	51.81	Fort Worth	69.92
9	Cincinnati	58.97	Milwaukee	67.22	Oklahoma City	85.43	Cincinnati	48.45	St. Paul	65.13
10	St. Joseph	58.25	Sioux City	63.10	Cincinnati	85.33	East St. Louis	42.75	Milwaukee	63.78
11	St. Paul	57.11	Omaha	61.56	St. Paul	83.21	St. Paul	41.55	St. Joseph	56.52
12	Omaha	55.25	Louisville	59.54	Omaha	75.88	St. Joseph	32.82	East St. Louis	55.95
13	East St. Louis	49.67	Denver	58.39	East St. Louis	67.33	Portland	29.43	Omaha	47.00
14	Chicago	35.69	Portland	50.68	Denver	66.00	Kansas City	20.77	Portland	37.19
15	Denver	28.54	East St. Louis	46.64	Milwaukee	60.78	Omaha	18.49	Kansas City	32.65
16	Kansas City	27.63	Kansas City	43.99	Portland	51.00	Chicago	14.06	Chicago	31.74
17	Portland	26.76	Chicago	42.23	Chicago	39.88	Denver	4.30	Denver	13.74
17 markets combined		52.39		65.00		70.84		30.06		52.05

CATTLE AND CALVES

Market	Cattle (calves excluded)						Calves					
	10-year average 1920–29	1933	1934 [1]	1935 [1]	1936	1937	10-year average 1920–29	1933	1934 [1]	1935 [1]	1936	1937
Chicago	2,946,962	2,066,659	2,727,260	1,972,180	2,234,065	1,980,992	756,248	440,324	737,288	456,786	410,836	386,068
Cincinnati [2]	260,672	221,332	392,520	256,707	259,092	221,125	157,212	118,862	136,552	120,926	122,202	134,513
Denver	544,880	347,619	633,074	482,421	489,768	588,506	60,308	70,601	132,343	78,279	73,767	84,606
East St. Louis	972,049	726,617	1,225,198	1,071,833	913,800	953,317	375,088	391,722	590,307	568,773	568,785	635,450
Fort Worth	881,121	416,973	756,619	749,227	657,650	908,677	318,171	223,070	381,017	268,661	373,865	491,890
Indianapolis	295,731	238,893	343,247	317,732	342,132	340,859	216,310	146,960	186,230	173,603	165,452	172,328
Kansas City	2,206,284	1,443,380	2,256,263	1,610,240	1,435,847	1,562,163	457,365	276,013	594,096	347,599	346,645	367,500
Louisville	138,066	79,294	159,212	158,182	147,771	127,661	103,224	98,615	121,479	139,337	111,330	122,983
Milwaukee	126,510	181,414	293,030	209,029	214,834	218,191	417,013	493,155	539,921	417,960	399,844	428,119
Oklahoma City	294,150	261,738	539,258	519,612	518,203	498,511	82,322	58,316	123,963	140,753	176,673	217,353
Omaha	1,553,585	1,417,448	1,971,132	1,243,603	1,510,555	1,280,469	105,030	120,051	278,102	138,539	162,154	178,906
Portland	131,604	106,927	142,302	135,524	158,294	153,163	17,806	9,602	17,437	14,144	23,611	22,492
St. Joseph	552,382	399,271	650,136	375,389	382,181	347,032	100,101	84,472	144,223	98,906	99,001	86,886
St. Paul	909,530	835,173	1,475,890	910,785	1,106,434	930,246	535,528	515,370	840,413	477,264	561,040	596,108
Sioux City	751,146	773,687	1,183,698	736,275	912,253	636,965	52,890	55,911	222,014	65,697	82,401	63,478
Sioux Falls	29,331	131,988	142,276	108,886	178,210	123,691	4,661	14,075	25,271	13,305	20,560	15,141
Wichita	290,728	205,493	452,016	334,591	302,123	311,417	68,389	56,108	134,747	77,719	71,822	71,917
Total	12,884,727	9,853,906	15,343,131	11,192,216	11,763,212	11,182,985	3,828,667	3,173,227	5,205,403	3,698,251	3,769,988	4,075,738

[1] Includes animals purchased for Federal Surplus Relief Corporation.
[2] Sale stock only, prior to January 1932.

Receipts—Continued

HOGS AND SHEEP

Market	Hogs						Sheep and lambs					
	10-year average 1920–29	1933 [1]	1934	1935	1936	1937	10-year average 1920–29	1933	1934 [2]	1935	1936	1937
Chicago	8,427,861	7,791,626	6,510,002	3,600,343	4,364,138	3,968,398	4,075,925	3,536,177	3,002,710	2,940,721	2,595,393	2,500,966
Cincinnati [3]	1,332,182	1,317,683	1,080,472	731,077	867,884	802,045	331,628	401,207	286,129	367,336	345,704	377,043
Denver	466,200	771,064	709,066	362,919	496,635	320,960	1,998,620	2,902,316	3,108,655	2,903,355	3,023,893	3,098,234
East St. Louis	3,840,501	3,327,464	2,960,207	2,026,420	2,474,228	2,265,272	573,126	658,652	649,531	764,620	708,683	1,049,966
Fort Worth	388,423	497,873	403,716	290,505	372,004	350,637	403,565	778,806	596,616	646,664	609,753	1,280,807
Indianapolis	2,368,373	2,130,632	1,872,239	1,312,613	1,542,765	1,582,582	175,159	369,629	361,315	449,532	466,174	441,647
Kansas City	2,474,791	2,077,111	1,[illegible]959	579,536	737,617	371,599	1,667,892	1,671,692	1,738,187	1,397,101	1,276,618	1,468,635
Louisville	410,067	288,413	243,720	179,807	205,402	205,921	240,049	268,857	233,274	297,252	244,484	280,786
Milwaukee	532,876	684,430	524,387	383,710	529,843	486,617	51,530	89,484	87,960	108,813	107,385	97,466
Oklahoma City	370,783	678,192	363,914	287,359	394,874	292,310	15,441	98,051	114,601	141,087	120,709	160,357
Omaha	3,061,916	2,950,383	2,807,732	1,140,208	1,762,808	1,109,682	2,786,113	2,125,469	1,968,280	1,672,956	1,617,281	1,585,320
Portland	251,051	228,796	205,017	140,691	215,489	229,233	194,107	191,621	213,195	248,188	224,629	241,349
St. Joseph	1,836,[illegible]	1,714,[illegible]33	1,593,954	662,997	852,042	569,197	1,158,019	1,233,192	1,143,726	1,068,445	1,048,461	945,384
St. Paul	3,0[illegible]	2,742,455	1,885,080	931,203	1,994,944	1,590,607	684,334	1,551,906	1,583,674	1,362,424	1,487,363	1,290,319
Sioux City	2,574,861	2,286,901	2,067,160	850,257	1,382,343	827,170	413,880	857,407	1,166,811	967,001	843,031	580,643
Sioux Falls	343,837	432,547	391,440	175,798	302,538	201,900	5,370	63,219	185,567	160,239	102,625	177,406
Wichita	615,144	726,358	367,529	184,518	272,527	236,182	99,820	149,061	145,780	151,897	144,780	169,662
Total	32,318,326	30,646,861	25,247,894	13,840,061	18,828,181	15,410,312	14,874,578	16,946,746	16,586,031	15,647,631	15,056,946	15,745,990

[1] Includes many pigs and sows received for Government account in Emergency Hog Production Control Program.
[2] Includes sheep purchased for Federal Surplus Relief Corporation.
[3] Sale stock only, prior to January 1932.

RESPONDENTS EXHIBIT A–4 RECEIVED

Comparative statement of income and expenses of commission agencies including H. & M. organizations, Kansas City, Mo., 1937

INCOME

	Total	H. and M.	Total, less H. and M.
Commissions:			
Selling	$1,067,399.26	$48,173.75	$1,019,225.51
Buying	134,580.09		134,580.09
Clearance	1,079.60		1,079.60
Yard sale	42,256.31		42,256.31
Other	49,540.50		49,540.50
Total commissions	1,294,855.76	48,173.75	1,246,682.01
Less reported commissions impounded	16,754.36		16,754.36
Net commissions	1,278,101.40	48,173.75	1,229,927.65
Other income:			
Interest earned	9,339.46		9,339.46
Trading and other			
Other earnings	19,707.49	9,692.48	10,015.01
Total income	1,307,148.35	57,866.23	1,249,282.12

EXPENSES

Salaries and wages:			
Owners	$271,036.94	$6,000.00	$265,036.94
Employees	509,196.26	10,998.50	498,197.76
Bonuses and other	29,733.99		29,733.99
Total salaries	809,967.19	16,998.50	792,968.69
Other operating expenses:			
Advertising	55,261.39	2,409.75	52,851.64
Commissions paid	3,207.40		3,207.40
Depreciation	4,068.34		4,068.34
Exchange association and dues	26,962.73	430.53	26,532.20
Office supplies	37,783.88	1,184.78	36,599.10
Rent, heat, and light	43,462.96		43,462.96
Telephone and telegraph	40,130.44	6,232.47	33,897.97
Travel and entertainment	102,339.55		102,339.55
Other	116,079.03	4,100.91	111,978.12
Total operating expenses	1,239,202.91	31,356.94	1,207,845.97
Other expenses:			
Interest paid	9,334.26	110.70	9,223.56
Federal income taxes	4,219.99	2,084.55	2,135.44
Miscellaneous	20,690.93	3,725.32	16,965.61
Total expenses	1,273,448.09	37,277.51	1,236,170.58
Profit for year	33,700.26	20,588.72	13,111.54
Other salaries	271,036.94	6,000.00	265,036.94
Return to owner	304,737.20	26,588.72	278,148.48

Consolidated statement of receipts of livestock as tabulated from reports of commission men, 1937

SALES

	All concerns		
	Cars		Head
	S. D.	D. D.	
Straight cars:			
Cattle and calves	32,042		1,019,357
Hogs	227	4	17,988
Sheep	572	3,692	955,186
Total	32,841	3,696	1,992,531
Mixed cars:			
Cattle	94	1	1,827
Calves			2,144
Hogs			1,759
Sheep			360
Total	94	1	6,090
Truck-ins:			
Cattle			458,559
Calves			143,416
Hogs			339,370
Sheep			278,461
Total			1,219,806
Yard sales:			
Cattle			101,456
Calves			15,555
Hogs			58,894
Sheep			7,034
Total			182,939
Total sales	32,935	3,697	3,401,366

PURCHASES

Straight cars:			
Cattle and calves	7,031		279,206
Hogs	43	25	9,253
Sheep	620	222	116,885
Total	7,694	247	405,344
Mixed cars:			
Cattle	21		508
Calves			261
Hogs			245
Sheep			87
Total	21		901
Truck-outs:			
Cattle			48,427
Calves			5,377
Hogs			15,324
Sheep			19,986
Total			89,114
Total purchases	7,715	247	495,359

Comparative statement of income and expenses of commission agencies, 1936, Kansas City, Mo.

INCOME

	Total	H. and M. Cos.	Total less H. and M.
Commissions:			
Selling	$1,125,569.93	$48,756.00	$1,076,813.93
Buying	108,224.56		108,224.56
Clearance	2,176.25		2,176.25
Yard sale	40,877.53		40,877.53
Other	34,264.03	10,091.42	24,172.61
Total commissions	1,311,112.30		1,252,264.88
Less impounded commission reported	28,743.68		28,743.68
Net commissions	1,282,368.62		1,223,521.20
Other income:			
Interest earned	9,125.61		9,125.61
Trading and other			
Other earnings	16,427.93		16,427.93
Total income	1,307,922.16	58,847.42	1,249,074.74

EXPENSES

Salaries and wages:			
Owners	$280,763.88	$12,000.00	$268,763.88
Employees	512,881.11	13,625.10	499,256.01
Bonuses and other	37,048.10		37,048.10
Total salaries	830,693.09	25,625.10	805,067.99
Other operating expenses:			
Advertising	64,275.16	2,507.73	61,767.43
Commissions paid	2,485.12		2,485.12
Depreciation	2,723.54		2,723.54
Exchange association and dues	27,376.19		27,376.19
Office supplies	31,798.00	1,199.40	30,598.60
Rent, heat, and light	44,619.22		44,619.22
Telephone and telegraph	38,150.57	6,531.25	31,619.32
Travel and entertainment	103,265.97		103,265.97
Other	172,223.42	11,031.89	161,191.53
Total operating expenses	1,317,610.28	45,895.37	1,270,714.91
Other expenses:			
Interest paid	7,483.81		7,483.81
Federal income taxes	6,168.62	3,990.34	2,178.28
Miscellaneous	49,215.54		49,215.54
Total expenses	1,380,478.25	50,885.71	1,329,592.54
Profit for year	72,556.09	7,961.71	80,517.80
Owners' salaries	280,763.88	12,000.00	268,763.88
Returned to owners	208,207.79	19,961.71	188,246.08

Consolidated statement of receipts of livestock as tabulated from reports of commission men, 1936

SALES

	All concerns			H. and M. Cos.
	Cars		Head	H. and M.
	S. D.	D. D.		
Straight cars:				
Cattle and calves	27,780	105	896,492	
Hogs	328	9	34,585	
Sheep	276	2,904	763,383	
H. and M.				9,750
Total	28,384	3,018	1,694,460	
Mixed cars:				
Cattle	197	12	4,641	
Calves			2,631	
Hogs			4,053	
Sheep			274	
Total	197	12	11,599	
Truck-ins:				
Cattle			547,427	
Calves			178,059	
Hogs			550,988	
Sheep			292,715	
H. and M.				12,216
Total			1,569,189	
Yard sales:				
Cattle			94,072	
Calves			17,405	
Hogs			103,411	
Sheep			2,310	
Total			217,198	
Total sales	28,581	3,030	3,492,446	21,966

PURCHASES

Straight cars:				
Cattle and calves	5,855	4,113	227,563	
Hogs		792	22,773	
Sheep	81	318	58,598	
Total	6,010	5,223	308,934	
Mixed cars:				
Cattle	1		20	
Hogs			85	
Total	1		105	
Truck-outs:				
Cattle			50,577	
Calves			8,655	
Hogs			16,068	
Sheep			13,685	
Total			88,985	
Total purchases	6,011	5,223	398,024	

Comparative statement of income and expenses of commission agencies, Kansas City, Mo., 1935

INCOME

	Total	H. and M. cos.	Excluding H. and M. cos.
Commissions:			
Selling	$1,139,833.47	$54,916.50	$1,084,916.97
Buying	150,026.38		150,026.38
Clearance	9,349.91		9,349.91
Yard sale	37,224.70		37,224.70
Other	39,706.29		39,706.29
Total commissions	1,376,140.75	54,916.50	1,321,224.25
Less: Reported impounded commission	34,121.76		34,121.76
Net commission	1,342,018.99	54,916.50	1,287,102.49
Other income:			
Interest earned	15,421.17		15,421.17
Trading and other			
Other earnings	21,895.95	11,009.73	10,886.22
Total income	1,379,336.11	65,926.23	1,313,409.88

EXPENSES

Salaries and wages:			
Owners	$295,876.41	$17,200.00	$278,676.41
Employees	496,146.80	8,211.79	487,935.01
Bonuses and other	37,267.97		37,267.97
Total salaries	829,291.18	25,411.79	803,879.39
Other operating expenses:			
Advertising	64,063.28	2,050.67	62,012.61
Commissions paid	6,463.05		6,463.05
Depreciation	2,965.22		2,965.22
Exchange association and dues	26,257.36	966.69	25,290.67
Office supplies	30,225.81	116.24	30,109.57
Rent, heat, and light	52,562.23	6,184.38	46,377.85
Telephone and telegraph	35,182.48	541.45	34,641.03
Travel and entertainment	107,205.96	8,498.24	98,707.72
Other	96,814.53		96,814.53
Total operating expenses	1,251,031.10	43,769.46	1,207,261.64
Other expenses:			
Interest paid	8,475.21		8,475.21
Federal income taxes	5,459.59	3,625.96	1,833.63
Miscellaneous	33,569.94		33,569.94
Total expenses	1,298,535.84	47,395.42	1,251,140.42
Profit for year	80,800.27	18,530.81	62,269.46
Owners' salaries	295,876.41	17,200.00	278,676.41
Returned to owners	376,676.68	35,730.81	340,945.87

Consolidated statement of receipts of livestock as tabulated from reports of commission men (excludes horses and mules) 1935

SALES

	All concerns		
	Cars		Head
	S. D.	D. D.	
Straight cars:			
Cattle and calves	$30,841		$980,253
Hogs	410	$18	37,709
Sheep	644	2,879	835,087
Horses and mules			
Total	31,895	2,897	1,853,049
Mixed cars:			
Cattle	288		6,417
Calves			1,822
Hogs			2,837
Sheep			514
Total	288		11,590
Truck-ins:			
Cattle			507,550
Calves			158,920
Hogs			449,324
Sheep			260,852
Horses and mules			
Total			1,376,656
Yard sales:			
Cattle			93,700
Calves			11,823
Hogs			52,334
Sheep			2,239
Total			160,096
Total sales	32,183	2,897	3,401,391

PURCHASES

Straight cars:			
Cattle and calves	$8,585		$341,039
Hogs	79	$51	16,600
Sheep	43	375	104,911
Total	8,707	426	462,550
Truck-outs:			
Cattle			60,857
Calves			7,352
Hogs			21,606
Sheep			17,061
Total			106,876
Total purchases	8,707	426	569,426

Income and expenses, Kansas City, Mo., 1934

INCOME

	Total	H. and M.	Total less H. and M.
Commissions:			
Selling	$1,284,437.40	$52,375.00	$1,232,062.40
Buying	123,429.98		123,429.98
Clearance	13,938.51		13,938.51
Yard sales	42,031.04		42,031.04
Other	36,214.31	9,908.39	26,305.92
Total commissions	1,500,051.24	62,283.39	1,437,767.85
Reported impounded commission	35,826.00		35,826.00
Total	1,535,877.24	62,283.39	1,473,593.85
Other income:			
Interest earned	8,791.79		8,791.79
Trading and other			
Other earnings	14,372.92		14,372.92
Total income	1,559,041.95	62,283.39	1,496,758.56

EXPENSES

Salaries and wages:			
Owners	$319,326.66	$12,000.00	$307,326.66
Employees	577,649.95	11,916.56	565,733.39
Bonuses and other	37,714.16		37,714.16
Total salaries	934,690.77	23,916.56	910,774.21
Other operating expenses:			
Advertising	75,851.49	917.00	74,934.49
Commissions paid	9,930.92		9,930.92
Depreciation	7,258.13		7,258.13
Exchange assessments and dues	24,928.15		24,928.15
Office supplies	36,367.47	1,932.58	34,434.89
Rent, heat, and light	50,327.25	101.24	50,226.01
Telephone and telegraph	64,832.70	5,383.44	59,449.26
Travel and entertainment	112,357.33	984.78	111,372.55
Other	146,348.08	8,834.32	137,513.76
Total operating expenses	1,462,892.29	42,069.92	1,420,822.37
Other expenses:			
Interest paid	3,641.79		3,641.79
Federal income tax	2,013.44	830.83	1,182.61
Miscellaneous	34,766.84		34,766.84
Total expenses	1,503,314.36	42,900.75	1,460,413.61
Profit for year	55,727.59	19,382.64	36,344.95
Owners' salaries	319,326.66	12,000.00	307,326.66
Returned to owners	375,054.25	31,382.64	343,671.61
Less: Impounded commissions reported	35,826.00		35,826.00
Net return to owners	339,228.25	31,382.64	307,845.61

Receipts of livestock (exclusive of horses and mules) Kansas City, Mo., 1934

SALES

	Cars		Head
	S. D.	D. D.	
Straight cars:			
Cattle and calves	34,729	12	1,103,483
Hogs	962	34	92,567
Sheep	1,378	2,504	917,752
Total	37,069	2,550	2,113,802
Mixed cars:			
Cattle	490	1	5,451
Calves			2,216
Hogs			10,444
Sheep			2,074
Total	490	1	20,185
Truck-ins:			
Cattle			552,410
Calves			152,889
Hogs			841,536
Sheep			260,023
Total			1,806,853
Yard sales:			
Cattle			106,698
Calves			18,533
Hogs			15,353
Sheep			1,324
Total			141,908
Total sales	37,559	2,551	4,082,748

PURCHASES

Straight cars:			
Cattle and calves	6,197		250,370
Hogs	240	267	80,074
Sheep	46	204	76,697
Total	6,483	471	407,141
Trucked out:			
Cattle			51,010
Calves			6,817
Hogs			14,751
Sheep			14,143
Total			86,721
Total purchases	6,483	471	493,862

Statement of income and expenses of commission agencies, Kansas City, 1933 (old line firms and cooperatives only)

INCOME	
Commissions:	
Selling	$1, 391, 251. 95
Buying	140, 653. 64
Clearance	13, 761. 29
Yard sales	40, 091. 05
Other	21, 990. 80
Total commissions	1, 607, 748. 73
Other income:	
Interest earned	8, 798. 76
Other earnings	1, 902. 68
Total income	1, 618, 450. 17
EXPENSES	
Salaries and wages:	
Owners	328, 955. 29
Employees	617, 667. 07
Bonuses and other	38, 270. 50
Total salaries	984, 892. 86
Other operating expenses:	
Advertising	77, 752. 47
Commissions paid	18, 421. 64
Depreciation	6, 449. 31
Exchange assessments and dues	24, 264. 32
Office supplies	39, 920. 75
Rent, heat, and light	52, 362. 28
Telephone and telegraph	68, 899. 72
Travel and entertainment	108, 267. 45
Other	125, 687. 80
Total operating expenses	1, 506, 918. 60
Other expenses:	
Interest paid	8, 654. 38
Federal income taxes	1, 080. 49
Miscellaneous	66, 965. 44
Total expenses	1, 583, 618. 91
Net profit for year	34, 831. 26
Owners' salaries	328, 955. 29
Return to owners	363, 786. 55
Commission in escrow	12, 422. 34

Consolidated statement of receipts of livestock as tabulated from reports of commission men, 1933

SALES

	All concerns		
	Cars		Head
	S. D.	D. D.	
Straight cars:			
Cattle and calves	32,754	3	1,032,757
Hogs	2,538	176	350,447
Sheep	469	3,862	1,040,690
Total	35,761	4,041	2,423,894
Mixed cars:			
Cattle	699	4	7,083
Calves			2,108
Hogs			15,526
Sheep			2,433
Total	699	4	27,150
Truck-ins:			
Cattle			435,139
Calves			115,864
Hogs			1,312,138
Sheep			279,524
Total			2,142,665
Yard sales:			
Cattle			106,376
Calves			9,943
Hogs			28,508
Sheep			828
Total			145,655
Total sales	36,460	4,045	4,739,364

PURCHASES

Straight cars:			
Cattle and calves	8,596		317,168
Hogs	270	530	148,248
Sheep	47	471	149,861
Total	8,913	1,001	585,277
Mixed cars:			
Cattle	2		(1)
Calves			
Hogs			
Sheep			
Total	2		
Truck-outs:			
Cattle			62,990
Calves			10,224
Hogs			19,057
Sheep			7,343
Total			99,614
Total purchases	8,915	1,001	684,891

[1] Included in straight cars.

Income and expenses, Kansas City, Mo., 1932

INCOME

	Total	H. and M.	Total without H. and M.
Commissions:			
Selling	$1,509,349.79	$31,725.00	$1,477,624.79
Buying	170,368.48		170,368.48
Clearance	11,492.59		11,492.59
Yard sales	42,124.25		42,124.25
Other	24,093.41		24,093.41
Total commissions	1,757,428.52	31,725.00	1,725,703.52
Other income:			
Interest earned	22,138.19		22,138.19
Trading and other			
Other earnings	16,587.60	6,988.72	9,598.88
Total income	1,796,154.31	38,713.72	1,757,440.59

EXPENSES

Salaries and wages:			
Owners	$374,390.64	$6,000.00	$368,390.64
Employees	698,492.52	8,550.65	689,941.87
Bonuses and other	34,274.91		34,274.91
Total salaries	1,107,158.07	14,550.65	1,092,607.42
Other operating expenses:			
Advertising	89,331.78	900.00	88,431.78
Commissions paid	9,347.95		9,347.95
Depreciation	13,730.15		13,730.15
Exchange assessments and dues	24,738.71		24,738.71
Office supplies	38,753.32	1,102.16	37,651.16
Rent, heat, and light	55,239.70	245.00	54,994.70
Telephone and telegraph	67,603.50	3,371.24	64,232.26
Travel and entertainment	115,437.19	1,162.70	114,274.49
Other	139,523.37	1,377.48	138,145.89
Total operating expenses	1,660,863.74	22,709.23	1,638,154.51
Other expenses:			
Interest paid	11,254.39		11,254.39
Federal income tax	1,278.17	838.71	439.46
Miscellaneous	62,962.63	7,881.27	55,081.36
Total expenses	1,736,358.93	31,429.21	1,704,929.72
Net profit for year	59,795.38	7,284.51	52,510.87
Owners' salaries	374,390.64	6,000.00	368,390.64
Returned to owners	434,186.02	13,284.51	420,901.51

Receipts of livestock, Kansas City, Mo., 1932 (exclusive of horses and mules)

SALES

	Cars		Head
	S. D.	D. D.	
Straight cars:			
Cattle and calves	41,283		1,330,407
Hogs	3,366	125	323,311
Sheep	552	4,640	1,270,735
Total		4,765	2,924,453
Mixed cars:			
Cattle	1,656	1	16,510
Calves			7,568
Hogs			34,021
Sheep			2,462
Total	1,656	1	60,561
Trucked in:			
Cattle			299,587
Calves			86,072
Hogs			820,924
Sheep			251,852
Total			1,464,525
Yard sales:			
Cattle			109,914
Calves			8,146
Hogs			35,377
Sheep			1,348
Total			154,785
Total sales	46,857	4,766	4,604,324

PURCHASES

Straight cars:			
Cattle and calves	10,318		386,989
Hogs	145	326	60,502
Sheep	22	276	83,358
Total	10,485	602	530,849
Trucked out:			
Cattle			39,059
Calves			5,495
Hogs			15,989
Sheep			8,768
Total			69,311
Total purchases			600,160

Statement of income and expenses of commission agencies, Kansas City, Mo., year 1931

INCOME

	Total	H. and M.	All firms excluding H. and M.
Income:			
Commissions:			
Selling	$1,639,744.12	$27,922.50	$1,611,821.62
Buying	255,903.05		255,903.05
Clearance	13,369.19		13,369.19
Yard sales	40,411.04		40,411.04
Other	18,831.82		18,831.82
Total commissions	1,968,259.22	27,922.50	1,940,336.72
Other income:			
Interest earned	40,525.19	311.00	40,214.19
Trading and other			
Other earnings	18,178.92	6,350.17	11,828.75
Total income	2,026,963.33	34,583.67	1,992,379.66

EXPENSES

Salaries and wages:			
Owners	$397,350.56	$6,000.00	$391,350.56
Employees	843,066.61	9,697.00	833,369.61
Bonuses and other	31,073.89		31,073.89
Total salaries	1,271,491.06	15,697.00	1,255,794.06
Other operating expenses:			
Advertising	88,756.50	1,432.41	87,324.09
Commissions paid	17,156.75		17,156.75
Depreciation	8,134.68		8,134.68
Exchange assessements and dues	20,954.24		20,954.24
Office supplies	43,864.73	664.50	43,200.23
Rent, heat, and light	55,735.38	129.33	55,606.05
Telephone and telegraph	82,896.27	2,102.04	80,794.23
Travel and entertainment	113,580.95	1,091.85	112,489.10
Other	199,455.69	1,222.16	198,233.53
Total operating expenses	1,902,026.25	22,339.29	1,879,686.96
Other expenses:			
Interest paid	13,055.26	2,598.63	10,456.63
Federal income taxes	6,686.41		6,686.41
Miscellaneous	10,915.61	1,856.74	9,058.87
Total expenses	1,932,683.53	26,794.66	1,905,888.87
Net profit for year	94,279.80	7,789.01	86,490.79
Owners salaries	397,350.56	6,000.00	391,350.56
Return to owners	491,630.36	13,789.01	477,841.35

Consolidated statement of receipts of livestock as tabulated from reports of commission men, Kansas City, Mo., year 1931

SALES

	All concerns		
	Cars		Head
	S. D.	D. D.	
Straight cars:			
Cattle and calves	47,828		1,507,929
Hogs	5,576	67	391,656
Sheep	1,248	5,348	1,555,511
Total	54,652	5,415	3,455,096
Mixed cars:			
Cattle and calves	2,501		40,590
Hogs			41,514
Sheep			3,067
Total	2,501		85,171
Truck-ins:			
Cattle			205,031
Calves			85,725
Hogs			379,559
Sheep			240,265
Total			1,210,580
Yard sales:			
Cattle			106,866
Calves			11,786
Hogs			86,035
Sheep			1,419
Total			206,106
Total sales	57,153	5,415	4,956,953

PURCHASES

Straight cars:			
Cattle and calves	14,311		519,831
Hogs	201	339	89,212
Sheep	116	369	114,893
Total	14,628	708	723,936
Mixed cars:			
Cattle	4		100
Hogs			144
Total	4		244
Truck-outs:			
Cattle			20,031
Calves			3,324
Hogs			22,394
Sheep			7,979
Total			53,728
Total purchases	14,632	708	777,908

Income and expenses, Kansas City, Mo., 1930

	Total	H. and M. cos.	Total less H. and M. cos.
Commissions:			
Selling	$1,915,273.09	$44,380.00	$1,870,893.09
Buying	272,777.55		272,777.55
Clearance	13,748.00		13,748.00
Yard sales	49,191.89		49,191.89
Other	26,216.66		26,216.66
Total commissions	2,277,207.19	44,380.00	2,232,827.19
Other income:			
Interest earned	62,698.53	412.50	62,286.03
Trading and other	923.68		923.68
Other earnings	13,793.04	7,543.54	6,249.50
Total income	2,354,622.44	52,336.04	2,302,286.40
Expenses:			
Salaries and wages:			
Owners'	508,041.74	9,000.00	499,041.74
Employees	938,201.78	7,572.51	930,629.27
Bonuses and other	40,999.11		40,999.11
Total salaries	1,487,242.63	16,572.51	1,470,670.12
Other operating expenses:			
Advertising	122,081.17	898.60	121,182.57
Commissions paid	18,465.54		18,465.54
Depreciation	5,402.10		5,402.10
Exchange assessments and dues	13,409.38		13,409.38
Office supplies	42,839.86	1,421.77	41,418.09
Rent, heat, and light	58,770.59	152.69	58,617.90
Telephone and telegraph	82,391.00	2,674.18	79,716.82
Travel and entertainment	115,695.56	2,081.11	113,614.45
Other	159,376.39	4,895.15	154,481.24
Total operating expenses	2,105,674.22	28,696.01	2,076,978.21
Other expenses:			
Interest paid	7,275.16		7,275.16
Federal income taxes	11,232.25	1,465.00	9,767.25
Miscellaneous	35,478.85	1,356.09	34,122.76
Total expenses	2,159,660.48	31,517.10	2,128,143.38
Profit for year	194,961.96	20,818.94	174,143.02
Owners' salaries	508,041.74	9,000.00	499,041.74
Returned to owners	703,003.70	29,818.94	673,184.76

Receipts of livestock, Kansas City, Mo., 1930

SALES

	Cars		Head
	S. D.	D. D.	
Straight cars:			
Cattle and calves	54,950		1,738,828
Hogs	10,483	39	1,424,655
Sheep	1,870	5,362	1,707,764
Total	67,303	5,401	4,871,247
Mixed cars:			
Cattle and calves	3,975	2	52,321
Hogs			94,714
Sheep			3,956
Total	3,975	2	150,991
Trucked in:			
Cattle			152,602
Calves			75,216
Hogs			770,234
Sheep			184,127
Total			1,182,179
Yard sales:			
Cattle			123,829
Calves			23,196
Hogs			155,662
Sheep			2,594
Total			305,281
Total sales	71,278	5,403	6,509,698

PURCHASES

Straight cars:			
Cattle and calves	15,652		578,139
Hogs	569	283	116,231
Sheep	159	248	107,678
Total	16,380	531	802,048
Mixed cars:			
Cattle and calves	45		289
Hogs			403
Sheep			39
Total	45		731
Trucked out:			
Cattle			23,709
Calves			3,379
Hogs			21,194
Sheep			6,449
Total			54,731
Total purchases	16,425	531	857,510

Statement of income and expenses of commission agencies, Kansas City, Mo., year 1929

INCOME

	Total	H. and M. cos.	Total less H. and M. cos.
Commissions:			
Selling	$1,966,242.26	$30,022.00	$1,936,220.26
Buying	268,663.89		268,663.89
Clearance	12,300.00		12,300.00
Yard sales and dealers	60,494.46		60,494.46
Other	38,263.90		38,263.90
Total commissions	2,345,964.51	30,022.00	2,315,942.51
Other income:			
Interest and discount	74,760.57	441.46	74,319.11
Other earnings	54,601.34	8,294.64	46,306.70
Total income	2,475,326.42	38,758.10	2,436,568.32

EXPENSES

Salaries and wages:			
Owners salesmen	$424,897.93	$6,000.00	$418,897.93
Owners office or other	103,674.23		103,674.23
Salesmen and buyers	488,862.13	5,200.00	483,662.13
Yardmen	230,575.16	780.00	229,795.16
Office	205,612.77	3,000.00	202,612.77
Bonuses	8,928.66		8,928.66
Other labor	42,279.55	791.50	41,488.05
Total labor	1,504,830.43	15,771.50	1,489,058.93
Other operating expenses:			
Commissions paid outside concerns	6,808.70		6,808.70
Advertising	144,580.85	933.60	143,647.25
Printing and stationery	44,854.94	1,035.56	43,819.38
Rent	60,189.13		60,189.13
Travel and entertainment	103,112.67	1,821.88	101,290.79
Interest paid	14,311.42		14,311.42
Depreciation	3,221.97		3,221.97
All other	326,550.42	1,208.34	325,351.08
Total expenses	2,208,469.53	20,770.88	2,187,698.65
Net operating earnings	266,856.89	17,987.22	248,869.67
Federal taxes	11,854.68	2,248.03	9,606.65
Net after Federal taxes	255,002.21	15,739.19	239,263.02
Owners salaries	528,572.16	6,000.00	522,572.16
Return to owners	783,574.37	21,739.19	761,835.18

Statement of receipts of livestock as tabulated from reports of commission men, Kansas City, Mo., year 1929

SALES

	All concerns		
	Cars		Head
	S. D.	D. D.	
Straight cars:			
Cattle and calves	57,634		1,731,274
Hogs	15,170	27	1,308,008
Sheep	2,778	4,684	1,510,321
Total	75,582	4,711	4,549,603
Mixed cars:			
Cattle and calves	5,798		76,429
Hogs			191,830
Sheep			8,502
Total	5,798		276,761
Truck-ins:			
Cattle			111,652
Calves			60,540
Hogs			685,581
Sheep			149,304
Total			1,007,077
Yard sales:			
Cattle			138,944
Calves			25,307
Hogs			122,771
Sheep			4,491
Total			291,513
Total sales	81,380	4,711	6,124,954

PURCHASES

Straight cars:			
Cattle and calves	15,841		559,614
Hogs	853	316	172,342
Sheep	271	250	130,847
Total	16,965	566	842,803
Mixed cars:			
Cattle and calves	217		5,891
Hogs			2,061
Sheep			530
Total	217		8,482
Truck-outs:			
Cattle			10,213
Calves			2,108
Hogs			25,729
Sheep			6,720
Total			44,770
Total purchases	17,182	566	896,055

Statement of income and expense, commission agencies, Kansas City, Mo., 1928 (excluding H. and M.)

INCOME	
Commissions:	
Selling	$1, 949, 482. 63
Buying	273, 690. 36
Clearance	20, 689. 99
Yard sales and dealers	56, 288. 97
Other	70, 753. 77
Total commissions	2, 370, 915. 72
Other earnings	78, 047. 57
Total earnings	2, 448, 963. 29
EXPENSES	
Salaries and wages:	
Owners-salesmen	435, 847. 44
Owners-office or other	112, 671. 94
Salesmen and buyers	490, 983. 06
Yardmen	191, 611. 59
Office	224, 629. 19
Bonuses	5, 007. 64
Other labor	32, 906. 12
Total labor	1, 493, 656. 98
Commissions paid outside concerns	7, 159. 09
Advertising	170, 174. 95
Printing and stationery	38, 604. 15
Rent	55, 330. 93
Travel and entertaining	105, 429. 69
Interest paid	7, 866. 47
Depreciation	33, 671. 01
All other	307, 946. 84
Total expenses	2, 219, 840. 11
Net operating earnings	229, 123. 18
Federal taxes	9, 954. 37
Net after Federal taxes	219, 168. 81
Owners' salaries	548, 519. 38
Return to owners	767, 688. 19

Consolidated statement of receipts of livestock as tabulated from reports of commission men, Kansas City, Mo., 1928

	Sales			Purchases		
	Cars		Head	Cars		Head
	S. D.	D. D.		S. D.	D. D.	
Straight cars:						
Cattle and calves	59,563	.....	1,854,077	14,104	.....	499,168
Hogs	16,358	144	1,443,971	695	97	107,165
Sheep	1,618	4,722	1,430,368	227	431	148,169
Total	77,539	4,866	4,728,416	15,026	528	754,502
Mixed cars:						
Cattle and calves	6,784	32	95,731	921	3	22,531
Hogs			217,418		.....	1,939
Sheep			28,767			7,579
Total	6,784	32	341,916	921	.....	32,049
Drive-ins and truck-ins:						
Cattle	.....	.....	72,805	.....	.....	5,112
Calves	.....	.....	34,810	.....	.....	2,865
Hogs	.....	.....	486,151	.....	.....	28,322
Sheep	.....	.....	100,573	.....	.....	5,579
Total	.....	.....	694,339	.....	.....	41,878
Yard sales:						
Cattle	.....	.....	128,505	.....	.....	.....
Calves	.....	.....	14,911	.....	.....	.....
Hogs	.....	.....	105,912	.....	.....	.....
Sheep	.....	.....	6,593	.....	.....	.....
Total	.....	.....	255,921	.....	.....	.....
Total sales and purchases	84,323	4,898	6,020,592	15,947	528	828,429

Kansas City, 1926 and 1927

[Includes horse and mule companies as no separate figures kept]

INCOME

	1926	1927
Commissions:		
Selling	$2,078,369.43	$1,944,716.00
Buying	267,263.05	270,778.07
Clearance	5,606.48	9,388.56
Yard sales and dealers	53,663.47	51,394.32
Other	19,050.63	29,739.29
Total commissions	2,423,953.06	2,306,016.24
Interest and discount	52,571.18	76,617.67
Other earnings	23,248.08	26,257.92
Total earnings	2,499,772.32	2,408,891.83

EXPENSES

Salaries and wages:		
Owners—salesmen	$456,296.53	$483,709.23
Owners—office or other	91,282.78	74,022.98
Salesmen and buyers	548,353.36	512,261.87
Yardmen	240,657.96	216,972.42
Office	256,154.71	254,248.25
Bonuses	6,252.00	5,085.27
Other labor	45,943.71	24,713.35
Total labor	1,645,271.55	1,571,013.37
Commissions paid outside concerns	5,789.29	10,468.16
Advertising	190,129.78	142,967.41
Printing and stationery		60,045.61
Rent		59,803.43
Travel and entertainment	110,229.94	105,479.47
Interest paid	12,473.85	12,365.31
Depreciation	16,112.33	3,658.05
All other	375,728.26	290,971.33
Total expenses	2,355,735.00	2,256,771.54
Net operating earnings	144,037.32	152,120.29
Federal taxes	8,738.15	5,081.35
Net after Federal taxes	135,299.17	147,038.94
Owners salaries	547,569.81	557,732.21
Return to owners	682,868.98	704,771.15

(Volume not available.)

Income and expenses, old line and coops only, Kansas City, Mo., 1925

Income:	
Commission:	
Selling	$2, 325, 518. 44
Buying	309, 051. 54
Other	59, 987. 07
Total commission	2, 694, 557. 05
Expenses:	
Salaries and wages:	
Owners—Salesmen	483, 966. 50
Owners—other	105, 334. 67
Salesmen and buyers	622, 264. 47
Yardmen	265, 436. 21
Other salaries	314, 664. 15
Total labor	1, 791, 666. 00
Commissions paid outside concerns	3, 852. 85
Advertising	231, 288. 67
Depreciation	4, 465. 22
Other expenses	523, 664. 59
Total operating expenses	2, 554, 937. 33
Net operating profit	139, 619. 72
Add:	
Interest received	50, 588. 08
Speculative profit	1, 210. 64
Other miscellaneous income	13, 215. 55
Total additions	65, 014. 27
Deduct:	
Interest paid	8, 783. 27
Speculative losses	215. 61
Other miscellaneous expenses	29, 901. 62
Total deductions	38, 900. 50
Net profit for year	165, 733. 49
Federal taxes	6, 354. 36
Net profit after deducting taxes	159, 379. 13
Owners salaries	589, 301. 17
Return to owners	748, 680. 30

(Volume not available.)

Profit and loss statement, Kansas City, Mo., year 1924, includes horses and mules

INCOME

	Old line		Coops	Total
	Full year	Part year		
Commissions:				
Selling	$2,202,123.82	$70,642.27	$249,343.32	$2,522,109.41
Buying	296,701.36	4,658.76	20,023.35	321,383.47
Other	8,400.48	150.94		8,551.42
Gross commissions	2,507,225.66	75,451.97	269,366.67	2,852,044.30
Commission paid outside firms	3,043.24	31.01	24.50	3,098.75
Total commissions	2,504,182.42	75,420.96	269,342.17	2,848,945.55
Interest and discount	48,901.49	883.63		49,785.12
Other earnings	14,011.33	3,576.28	634.76	18,212.37
Total earnings	2,567,095.24	79,880.87	269,966.93	2,916,943.04

EXPENSES

Salaries and wages:				
Owners, salesmen	$464,783.40	$16,740.52		$481,523.92
Owners, other	95,926.93	6,065.77		101,992.70
Salesmen and buyers	533,477.65	9,786.18	$72,243.89	615,507.72
Yardmen	275,084.44	2,807.56	36,644.22	314,536.22
Other salaries	265,006.61	11,322.22	54,432.31	330,761.14
Total labor	1,634,279.03	46,722.25	163,320.42	1,844,321.70
Advertising	226,985.76	5,886.92	18,428.21	251,300.89
Losses and extraordinary items	37,415.93		1,798.68	39,214.61
Depreciation	1,329.33	180.00	1,612.62	3,121.95
Other expenses	472,237.48	15,110.70	60,101.12	547,449.30
Total expenses	2,372,247.53	67,899.87	245,261.05	2,685,408.45
Net earnings for year	194,847.71	11,981.00	24,705.88	231,534.59
Less income tax	2,820.62			2,820.62
Profit and loss	192,027.09	11,981.00	24,705.88	228,713.97
Owners salaries	560,710.33	22,806.29		583,516.62
Return to owners	752,737.42	34,787.29	24,705.88	812,230.59

(Volume not available.)

Profit and loss statement, Kansas City, Mo., year 1923, includes horses and mules

INCOME	
Commissions:	
Selling	$2,642,095.83
Buying	455,297.97
Other	2,537.23
Gross commissions	3,099,931.03
Commission paid outside firms	3,042.78
Net commissions	3,096,888.25
Interest and discount	44,919.12
Other earnings	3,904.89
Total earnings	3,145,712.26
EXPENSES	
Salaries and wages:	
Owners, salesmen	481,119.32
Owners, other	130,009.95
Salesmen and buyers	592,664.47
Yardmen	292,426.03
Other salaries	328,485.21
Total salaries	1,824,704.98
Advertising	242,922.56
Losses and extraordinary	109,634.39
Depreciation	3,560.85
Other expenses	524,416.36
Total expenses	2,705,239.14
Net earnings	440,473.12
Federal income tax	
Net profit	440,473.12
Owners salaries	611,129.27
Net return to owners	1,051,602.39

(Volume not available.)

RESPONDENTS' EXHIBIT A–5 RECEIVED

Kansas City commission agencies, recapitulation of consolidated annual reports prepared from statements furnished by P. and S. A covering r orting market agencies operations 1928 to 1937, inclusive

	1937	1936	1935	1934	1933	1932	1931
INCOME							
Selling	$1,002,471.15	$1,048,070.25	$1,050,795.21	$1,232,062.40	$1,391,251.95	$1,477,634.79	$1,611,821.62
Buying	134,586.09	108,224.56	150,026.38	123,429.98	140,653.64	170,368.45	255,903.05
Clearance (split)	1,079.60	2,176.25	9,349.91	13,935.51	13,761.29	11,492.59	13,369.19
Yard sales	42,256.31	40,877.53	37,224.70	42,031.04	40,091.05	42,124.25	40,411.04
Other (country)	49,540.50	24,172.61	39,706.29	26,308.92	21,990.80	24,093.41	18,831.82
Total commissions	1,229,927.65	1,223,521.20	1,287,102.49	1,437,767.85	1,607,748.73	1,725,703.52	1,940,336.72
EXPENSES							
A—Salary:							
Owner	265,036.94	268,763.88	278,676.41	307,326.66	328,955.29	368,390.64	391,350.56
Nonowner	531,136.15	538,789.23	531,666.03	613,378.47	674,359.21	732,564.73	881,600.25
Total salary	796,176.09	807,553.11	810,342.44	920,705.13	1,003,314.50	1,101,955.37	1,272,950.81
Advertising	52,851.64	61,767.43	62,012.61	74,934.49	77,752.47	88,431.78	87,324.09
Depreciation	4,008.34	2,723.54	2,965.22	7,258.13	6,449.31	13,730.15	8,134.68
Exchange dues	26,532.20	27,376.19	25,290.67	24,928.15	24,264.32	24,738.71	20,954.24
Office supplies	36,599.10	30,598.60	30,109.57	34,434.89	39,920.75	37,651.16	43,200.23
Rent—heat—light	43,462.96	44,619.22	46,377.85	50,226.01	52,362.28	54,994.70	55,606.05
Telephone—telegraph	33,897.97	31,619.32	34,641.03	59,449.89	68,899.72	64,[illegible]	80,734.23
Travel and entertainment	102,339.55	103,265.97	98,707.72	111,372.55	108,267.45	114,274.49	112,489.10
Other	111,978.12	161,191.53	96,814.53	137,513.76	125,687.80	138,[illegible]45.89	198,233.53
Total expenses	1,207,845.97	1,270,714.91	1,207,261.64	1,420,822.37	1,506,918.60	1,638,154.51	1,879,686.96

RESPONDENTS' EXHIBIT A-5 RECEIVED—Continued

Kansas City commission agencies, recapitulation of consolidated annual reports prepared from statements furnished by P. and S. A. covering reporting market agencies operations 1923 to 1937, inclusive—Continued

	1937	1936	1935	1934	1933	1932	1931
EXPENSES—continued							
B—Operating net credit	$22,081.68		$79,840.85	$16,945.48	$100,930.13	$87,549.01	$30,649.76
Operating net debit		$47,193.71					
Other income: Interest—trading—miscellaneous	19,354.47	25,553.54	26,307.39	23,164.71	10,701.44	31,737.07	52,042.94
Gross income credit	41,436.15		106,148.24	40,110.19	111,531.57	119,286.08	112,692.70
Gross income debit		21,640.17					
Other expenses: Interest, including tax—miscellaneous	28,324.61	58,877.63	43,878.78	39,591.24	76,700.31	66,775.21	26,201.91
C—Net gain	13,111.54		62,269.46	518.95	34,831.26	52,510.87	86,490.79
Net loss		80,517.80					
Operating return to owners (A. and B.)	287,118.62	221,570.17	358,517.26	324,272.14	429,785.42	455,939.65	452,000.32
Total return to owners (A. and C.)	278,148.48	188,246.08	340,945.87	307,845.61	363,786.55	420,901.51	477,841.35

	Includes horse and mule commission operations							
	1930	1929	1928	1927	1926	1925	1924	1923
INCOME								
Selling	$1,870,893.09	$1,936,220.26	$1,949,482.63	$1,944,716.00	$2,078,369.43	$2,325,518.44	$2,522,109.41	$2,642,095.83
Buying	272,777.55	268,663.89	273,600.36	270,778.07	267,263.05	309,051.54	321,383.47	455,297.97
Clearance (split)	13,748.00	12,300.00	20,689.99	9,388.56	5,606.48			
Yard sales	49,191.89	60,494.46	56,288.97	51,394.32	53,663.47			
Other (country)	26,216.66	38,263.90	70,763.77	29,739.29	19,050.63	59,987.07	8,551.42	2,537.23
Total commissions	2,232,827.19	2,315,942.51	2,370,915.72	2,306,016.24	2,423,953.06	2,694,557.05	2,852,044.30	3,099,931.03

EXPENSES								
A—Salary:								
Owner	499,041.74	522,572.16	548,519.38	557,732.21	547,569.81	589,301.17	583,516.62	611,129.27
Nonowner	990,093.92	973,295.47	952,296.69	1,023,749.32	1,103,491.03	1,206,217.68	1,263,903.83	1,216,618.49
Total salary	1,489,135.66	1,495,867.63	1,500,816.07	1,581,481.53	1,651,060.84	1,795,518.85	1,847,420.45	1,827,747.76
Advertising	121,152.57	143,647.25	170,174.95	142,967.41	190,129.78	231,288.67	251,300.89	242,922.56
Depreciation	5,402.10	3,221.97	3,671.01	3,658.05	16,112.33	4,465.22	3,121.95	3,560.85
Exchange dues	13,409.38							
Office supplies	41,418.09	43,819.38	38,604.15	60,045.01				
Rent—heat—light	58,617.90	60,189.13	55,330.93	59,803.43				
Telephone—telegraph	79,716.82							
Travel and entertainment	113,614.45	101,290.79	105,429.69	105,479.47	110,229.94			
Other	154,481.24	325,351.08	337,946.84	290,971.33	375,728.26	523,664.59	547,449.30	524,416.36
Total expenses	2,076,978.21	2,173,387.23	2,211,973.64	2,244,406.23	2,343,261.15	2,554,337.33	2,649,292.59	2,598,647.53
B—Operating net credit	155,848.98	142,555.28	158,942.08	61,610.01	80,691.91	139,619.72	202,751.71	501,283.50
Operating net debit								
Other income: Interest—trading—miscellaneous	69,459.21	120,625.81	78,047.57	102,875.59	75,819.26	65,014.27	67,997.49	48,824.01
Gross income credit	225,308.19	263,181.09	236,989.65	164,485.60	156,511.17	204,633.99	270,749.20	550,107.51
Gross income debit								
Other expenses: Interest, including tax—miscellaneous	51,165.17	23,918.07	17,820.84	17,446.66	21,212.00	45,254.86	42,035.23	109,634.39
C—Net gain	174,143.02	239,263.02	219,168.81	147,038.94	135,299.17	159,379.13	228,713.97	440,473.12
Net loss								
Operating return to owners (A. and B.)	654,890.72	665,127.44	707,461.46	619,342.22	628,261.72	725,920.89	786,268.33	1,112,412.77
Total return to owners (A. and C.)	673,184.76	761,835.18	757,688.19	704,771.15	682,868.98	748,680.30	812,230.59	1,051,602.39

RESPONDENT'S EXHIBIT A–6

Kansas City commission agencies, revenue headage from consolidated annual reports statement—furnished by P. and S. A. business trends—1928 to 1937

CATTLE AND CALVES

	Selling cattle and calves	Percent	Percent	Buying cattle and calves	Percent	Percent	Total cattle and calves	Percent	Percent
1937	1,742,314	79.2	89.0	333,579	63.0	61.4	2,075,893	76.0	83.0
1936	1,740,727	79.1	88.9	286,815	54.1	52.8	2,027,542	74.3	81.1
1935	1,760,495	80.0	89.9	409,248	75.9	73.9	2,169,742	79.2	86.5
1934	1,941,670	88.2	99.2	308,197	58.2	56.7	2,249,877	82.4	90.0
1933	1,709,270	77.7	87.3	390,382	73.7	71.9	2,099,652	76.9	83.9
1932	1,858,204	84.4	94.9	431,543	80.4	78.4	2,284,747	83.7	91.3
1931	1,957,927	89.0	100	543,286	102.6	100	2,501,213	91.6	100
1930	2,165,992	98.4	-------	605,516	114.3	-------	2,771,508	101.5	-------
1929	2,144,146	97.4	-------	577,826	109.1	-------	2,721,972	99.7	-------
1928	2,200,839	100	-------	529,676	100	-------	2,730,515	100	-------

HOGS

	Selling hogs	Percent	Percent	Buying hogs	Percent	Percent	Total hogs	Percent	Percent
1937	418,011	18.5	34.9	24,822	18.1	28.2	442,833	18.5	33.8
1936	693,037	30.8	57.8	38,926	28.3	34.8	731,963	30.6	55.9
1935	542,204	24.1	45.2	38,206	27.8	34.2	580,410	24.3	44.3
1934	959,900	42.6	80.1	94,825	69.0	84.9	1,054,725	44.1	80.5
1933	1,706,619	75.7	142.4	137,305	99.9	122.9	1,843,924	77.1	140.7
1932	1,213,633	53.9	101.2	76,491	55.7	68.4	1,290,124	54.0	98.4
1931	1,198,764	53.2	100	111,750	81.3	100	1,310,514	54.8	100
1930	2,445,265	108.5	-------	137,828	100.3	-------	2,583,093	108.0	-------
1929	2,308,190	102.4	-------	180,132	131.1	-------	2,488,322	104.1	-------
1928	2,253,452	100	-------	137,426	100	-------	2,390,878	100	-------

SHEEP

	Selling sheep	Percent	Percent	Buying sheep	Percent	Percent	Total sheep	Percent	Percent
1937	1,241,041	79.2	68.9	136,958	86.1	113.1	1,379,999	79.9	71.8
1936	1,058,682	67.6	58.8	72,283	44.8	58.3	1,130,965	65.5	58.8
1935	1,098,692	70.1	61.0	121,972	75.6	99.3	1,220,664	70.7	63.5
1934	1,181,173	75.4	65.6	90,840	56.3	73.9	1,272,013	73.6	66.1
1933	1,323,475	84.5	73.5	157,204	97.4	127.9	1,480,679	85.7	77.0
1932	1,526,397	97.5	84.8	92,126	57.1	75.0	1,618,523	93.7	84.2
1931	1,800,262	114.9	100	122,872	76.2	100	1,923,134	111.3	100
1930	1,898,441	121.2	-------	114,166	70.8	-------	2,012,607	116.5	-------
1929	1,672,618	106.8	-------	138,097	85.6	-------	1,810,715	104.8	-------
1928	1,566,301	100	-------	161,327	100	-------	1,727,628	100	-------

RESPONDENT'S EXHIBIT A–6—Continued

Kansas City commission agencies, revenue headage from consolidated annual reports statement—furnished by P. and S. A. business trends—1928 to 1937—Continued

TOTAL

	Total cattle and calves	Total hogs equivalent	Total sheep equivalent	Total units	Percent	Percent
1937	2,075,893	206,931	257,463	2,540,287	62.7	74.8
1936	2,027,542	342,039	211,001	2,580,582	63.7	76.0
1935	2,162,391	271,220	227,736	2,661,347	65.7	78.4
1934	2,249,877	491,862	237,316	2,979,055	73.6	87.8
1933	2,099,652	861,647	276,246	3,237,545	80.0	95.4
1932	2,284,252	548,989	281,973	3,115,214	76.9	91.8
1931	2,501,213	557,666	335,041	3,393,920	83.8	100
1930	2,771,508	1,099,189	350,628	4,221,325	104.3	
1929	2,721,972	1,058,860	315,456	4,096,288	101.2	
1928	2,730,515	1,017,395	300,980	4,048,890	100	

Equalized on income producing basis:
- Hogs reduced to cattle basis—
  - 2.14 hogs to 1 cattle and calves 1933–37
  - 2.35 hogs to 1 cattle and calves 1924–28
- Sheep reduced to cattle basis—
  - 5.36 sheep to 1 cattle and calves 1933–37
  - 5.74 sheep to 1 cattle and calves 1924–2

RESPONDENTS' EXHIBIT NO. A–7 RECEIVED

Number of market agencies registered to sell and buy livestock on commission at the Kansas City stockyards

	June 30, 1931	June 30, 1932	June 30, 1933	June 30, 1934	June 30, 1935	June 30, 1936	June 30, 1937	June 30, 1938
Commission man only	61	59	59	58	57	44	41	42
Commission man and buyer	1	1	1	1	1	1		
Commission man and trader	1	1	1	1	2	1		
Commission man and clearing	1	1	1	2	2	3	3	3
Commission man and trader and clearing								
Commission man and miscellaneous								
Total commission men	64	62	62	62	62	49	44	45
Order buyer only	12	11	13	11	11	11	10	10
Order buyer and buyer								
Order buyer and trader	8	6	6	5	4	5	5	6
Order buyer and clearing	1	2	2	2	2	2	2	2
Order buyer trader and clearing								
Order buyer and miscellaneous								
Total order buyers	21	19	21	18	17	18	17	18

RESPONDENTS' EXHIBIT A–8 RECEIVED

Docket 311

Names of market agencies (selling on commission) at Kansas City as of June 30, 1937 (44)

Bowles L. S. Comm. Co.
Burlington L. S. Comm. Co.
Cassidy Southwestern Comm. Co.
John Clay and Company.
Crider Bros. Comm. Co.
O. E. (Bus) Crane L. S. Comm. Co.
Warren Cummings L. S. Comm. Co.
Chas. Dixon Comm. Co.
Elliott, Swain & Co.
The Farmers Union L. S. Comm.
Farrar Davis & Campbell L. S. Comm. Co.
Gladish L. S. Comm. Co.
Haggart Wilson L. S. Comm. Co.
Hoover-O'Neal Comm. Co.
Inman-Hutton L. S. Comm. Co.
Kansas City Horse & Mule Comm. Co.
Kansas City L. S. Comm. Co.
W. C. Kile L. S. Comm. Co.
Knight & Tice Sheep Comm. Co.
Laird Brothers L. S. Comm. Co.
The W. M. Leitch Sheep Comm. Co.
Lewis L. S. Comm. Co.
Martin, Blomquist & Lee Comm. Co.
Maxwell & Furnish L. S. Comm. Co.
Midwest Sheep Comm. Co.
Moffett L. S. Comm. Co.
National L. S. Comm. Co.
John M. Nichols L. S. Comm. Co.
Perry L. S. Comm. Co.
Poole-Dempsey-Rutherford L. S. Comm. Co.
Producers Comm. Assn.
Ragland & Storts L. S. Comm. Co.
Ryan-Robinson Comm. Co.
Sanders Bros. L. S. Comm. Co.
The Stagner, Pieronnet & Willis L. S. Comm. Co.
Frank Standish Co.
Stuart-Robinson Co.
Swift & Henry L. S. Comm. Co.
Tamblyn Commission Co.
H. Thies and Sons.
Wester Bros. & Smith Comm. Co.
Wilson-Egan & Company
Witherspoon Commission Co.
Wright & Baucus L. S. Comm. Co.

RESPONDENTS' EXHIBIT A–14 RECEIVED

Docket 311

Total volume handled by 38 firms now in business comparable 1931 and 1937 based on Government exhibit 115 and book record

Firm No.	Cattle and calves		Hogs		Sheep	
	1931	1937	1931	1937	1931	1937
6	15,841	6,445	8,168	2,276	1,220	1,008
7	15,790	38,515	41,090	21,202	1,295	2,182
9	3,113	9,590	19,051	9,236	598	3,202
13	63,945	36,590	40,816	5,023	5,688	5,029
14	42,094	42,885	27,819	12,005	7,365	4,340
15	14,983	8,789	20,743	9,207	3,854	1,178
16	26,673	18,718	8,498	4,429	1,570	753
17	11,336	9,912	6,872	9,555	756	693
18	59,107	47,830	11,653	5,707	3,157	465
20	32,320	22,090	3,727	530	872	415
23	34,942	52,983	1,536	2,533	862	1,462
25	53,312	29,346	19,201	5,298	3,676	1,612
26	30,383	49,262	20,321	10,656	2,657	6,694
29	25,581	32,104	12,619	5,093	734	1,109
30	23,436	15,288	3,489	2,008	533	459
34	52,225	38,014	16,312	1,228	190	101
35	61,658	44,740	12,017	3,996	44,036	3,586
42	67,492	67,856	11,442	2,320	1,460	478
43					140,481	56,458
46	157,432	130,977	33,474	10,963	7,795	2,299
48	42,359	50,459	5,952	12,813	430	4,456
54	185,312	160,632	27,122	25,888	591,028	363,797
55	61,113	47,923	21,227	12,568	3,685	4,217
56	34,058	85,369	8,191	7,005	4,924	93,974
59	164,866	168,963	70,554	34,399	205,441	255,756
60	19,205	21,020	21,164	11,296	753	1,260
62	31,539	44,460	15,810	3,715	3,065	1,740
63	128,858	90,406	150,806	67,160	43,330	34,986
65	40,303	37,561	7,619	2,520	2,184	2,539
70	38,967	38,907	13,628	2,115	2,507	433
71	62,038	40,382	20,323	10,568	1,414	2,528
73	79,012	67,419	34,425	16,225	4,035	758
77	23,436	27,445	10,102	1,350	1,635	537
82	110,449	122,539	30,135	13,752	2,907	69,539
83	122,107	63,521	4,078	8,218	2,880	1,852
84	67,669	63,298	11,944	5,451	150,283	16,334
53	28,558	22,720	18,764	5,160	733	660
44					267,391	221,462
Total	2,031,482	1,854,958	790,692	363,568	1,516,024	1,170,381
Decrease, percent	9.69		54.02		22.80	

RESPONDENT'S EXHIBIT A–16

Gross value of livestock bought and sold on Kansas City, Mo., market (old line only) 1931, 1935–36, also bond for 1935

		1931		1935			1936	
		Gross sales	Gross purchases	Gross sales	Gross purchases	Bond	Gross sales	Gross purchases
1	L. B. Andrews L. S. Com. Co	$124,456.65	$5,609.14					
2	Frank Boddington	357,846.20	62,581.98					
3	Bowles L. S. Com. Co	2,781,808.87	393,434.75	$2,107,442.27	$240,665.00	$14,000	$1,901,394.02	$94,245.72
4	Burlington L. S. Com. Co	2,471,469.94	3,185,104.84	2,801,711.29	83,617.51	17,000	2,583,203.26	331,521.33
5	Henry Carnes L. S. Com. Co	68,506.13	19,405.67					
6	Cassidy Southwestern Com. Co	3,334,195.31	230,747.35	2,792,458.11	243,780.09	19,000	2,315,547.20	148,601.61
7	John Clay & Co	9,183,049.52	3,084,381.41	8,905,661.87	3,674,546.00	53,000	8,963,753.40	2,588,196.23
8	Crider Bros. Comm. Co	2,547,833.76	282,306.53	1,814,775.18	338,735.12	13,000	1,534,742.99	231,985.67
9	Warren Cummings L. S. Com. Co	3,718,341.24	231,221.32	1,897,557.61	361,744.77	14,000	1,806,697.66	189,303.90
10	W. E. Curtis & Co	1,062,775.79	182,663.12					
11	Chas. Dixon Com. Co	1,840,771.57	238,117.76	1,503,649.72	137,540.43	10,000	1,740,914.75	115,027.20
12	Drumm Standish Comm. Co	2,890,800.00	307,462.00					
13	Ehrke Martin L. S. Comm. Co	1,738,171.55	56,327.32	1,134,753.13	30,049.23	7,000	1,377,463.49	10,551.70
14	Elliott Swain & Co	713,717.96	58,450.13	505,543.12	31,299.73	3,000	549,448.55	31,902.26
15	Farrar Davis & Campbell Com. Co	1,059,064.34	135,151.66	862,015.84	27,454.34	6,000	857,379.11	27,735.08
16	Link Fasken Comm. Co	60,543.91	49.60					
17	Gladish L. S. Com. Co	458,540.40	64,834.94	509,780.50	34,173.83	3,000	444,502.13	41,844.04
18	Greer & Company	448,383.04	273,189.66	496,866.46	74,483.76	4,000		
19	Haggart & Wilson Com. Co	2,312,700.05	557,400.75	1,637,860.00	95,860.77	11,000	1,955,896.11	75,233.08
20	Dave Haner L. S. Com. Co	501,920.86	12,580.78					
21	Inman-Hutton L. S. Com. Co	977,118.92	114,609.03	409,628.57	32,183.45	3,000	762,830.53	20,774.30
22	Jefferson-Lowry-Davis L. S. Com. Co	949,795.46	136,108.59					
23	Kansas City L. S. Com. Co	1,256,694.73	183,292.23	1,003,777.89	147,988.78	7,000	768,185.68	31,407.63
24	Harry Kennaly Com. Co	2,585,471.90	37,424.12					

25	W. C. Kile L. S. Com. Co	2,107,412.29	247,822.64	1,646,146.26	161,464.92	11,000	1,394,756.77	85,981.93
26	Ira Kimmons L. S. Com. Co	116,472.03	23,169.83					
27	Hinle Klecker Sheep Com. Co	980,551.07	7,276.67					
28	Knight & Tice Sheep Com. Co	518,774.70	8,330.78	331,422.71	3,977.71	2,000	366,540.61	1,357.37
29	Sam Knighton Com. Co	356,550.92	18,670.74	631,493.22	20,802.25	Inactive		
30	Laird Bros. L. S. Com. Co	1,287,306.18	127,864.22	1,245,494.46	1,158,390.00	15,000	1,306,892.89	32,260.61
31	Walter G. Land L. S. Com. Co	369,896.61	184,720.97					
32	W. M. Leitch Sheep Com. Co	1,276,045.19	48,939.27	1,119,223.09	53,583.73	7,000	1,041,874.33	17,736.23
33	Lewis-Flourney L. S. Com. Co	720,816.98	30,870.00					
34	Long-Perry L. S. Com. Co	2,317,205.75	299,525.91	1,926,005.76	389,386.65	14,000	2,025,205.74	224,249.22
35	Jay D. McCormick	50,590.29	90,560.88	Inactive				
36	McDonald L. S. Com. Co	729,933.12						
37	Martin-Blomquist & Lee	5,503,334.35	2,692,477.16	5,290,825.07	907,437.74	40,000	4,693,462.81	466,534.95
38	Maxwell & Furnish L. S. Com. Co	1,046,395.97	71,100.79	2,340,657.38	135,582.04	15,000	2,070,730.61	125,219.08
39	Moffett L. S. Com. Co	1,622,114.69	185,470.40	1,852,718.48	80,837.07	10,000	1,523,607.62	95,213.47
40	Fred O. Morgan Com. Co	141,262.80	1,528.08					
41	Natl. L. S. Com. Co	5,281,922.18	2,833,348.02	4,475,382.25	2,603,820.04	45,000	3,843,294.66	905,448.73
42	John M. Nichols L. S. Com Co	276,091.13	51,949.48	369,435.65	29,534.37	2,000	564,231.54	46,288.56
43	W. R. Leed L. S. Com. Co	26,188.23	3,378.86					
44	Poole-Dempsey-Rutherford	1,744,446.52	223,696.67	2,242,788.33	207,082.71	15,000	2,175,058.26	95,455.46
45	Ragland & Storts	1,705,477.00	98,425.69	1,209,119.12	17,331.45	8,000	1,563,193.22	131,950.42
46	Robinson-Hoover Com. Co	1,688,586.57	230,747.35					
47	Ryan-Robinson-Hoover	3,070,183.79	295,505.23	2,040,407.37	360,552.45	15,000		
48	Fern O. Sanders	1,400,448.25	426,611.64					
49	Stagner, Peironett & Willis	1,122,128.47	42,753.48	1,469,153.41	10,753.00	9,000	1,213,947.75	7,298.40
50	Stuart Gillespie & Co	2,198,547.18	481,321.86					
51	Swift & Henry	9,077,010.58	1,149,688.44	8,105,052.56	825,808.74	50,000	8,223,827.55	536,025.09
52	Tamblyn Comm. Co	1,052,581.27	14,447.81	Reorganized			556,009.31	91,193.03
53	H. Thies & Sons	910,386.67	146,861.47	766,070.03	93,661.98	5,000	840,157.01	92,176.36
54	Welch L. S. Com. Co	85,396.62	14,489.73					
55	Wester Bros. & Smith Com. Co	1,391,991.00	57,659.61	2,121,032.89	234,442.05	14,000	1,172,069.00	65,359.00
56	Less White L. S. Com. Co	395,046.73	52,505.56	Inactive				
57	Wilson-Egan & Co	4,556,761.54	689,123.67	4,153,321.41	607,233.03	29,000	3,951,203.40	570,661.50
58	Witherspoon L. S. Com. Co	3,184,517.65	367,139.87	2,201,915.97	99,685.04	14,000	1,590,766.81	185,638.63
59	Wright & Baucus L. S. Com. Co	2,336,966.62	533,369.14	2,006,447.31	773,780.64	17,000	1,820,554.14	476,209.13

RESPONDENT'S EXHIBIT A-16—Continued

Gross value of livestock bought and sold on Kansas City, Mo., market (old line only) 1931, 1935-36, also bond for 1935—Con.

		1931		1935			1936	
		Gross sales	Gross purchases	Gross sales	Gross purchases	Bond	Gross sales	Gross purchases
60	Drumm Commission Co			$1,126,950.74	$216,410.25	Out of business—suspended		
61	Hoover-O'Neal Com. Co			3,860,002.15	628,557.82	$28,000	$3,870,263.93	$613,647.37
62	Lewis L. S. Com. Co			348,762.34	38,240.00	2,000	319,051.51	23,540.00
63	John Long Com. Co			327,287.50		2,000		
64	Magrath L. S. Com. Co			428,731.63	39,409.31	Cleared		
65	Midwest Sheep Com. Co			215,990.06	1,303.33	2,000	182,233.27	540.40
66	Sander Bros. L. S. Com. Co			1,203,681.39	684,081.55	12,000	1,011,567.04	628,147.27
67	Frank Standish Co			790,528.60	94,122.18	5,000 Cleared	612,140.75	163,179.66
68	Stuart-Robinson Co			1,668,471.83	386,152.36	13,000	1,394,588.47	153,075.50
69	Welsh Commission Co			76,900.80	1,704.96	Inactive		
70	Knighton & Crane L. S. Com. Co						754,381.72	34,391.06
71	Ryan Robinson Com. Co						1,837,310.46	304,389.24
	Total	$104,488,319.04	$21,603,838.55	85,775,401.33	16,399,252.21		79,480,878.06	10,051,867.42

Statement showing number of agencies and selling volume for years 1931, 1936, and 1937 at five largest stockyards

	Number of agencies	Selling volume		
		Cattle and calves	Hogs	Sheep
Chicago:				
1937	113	2,486,677	2,861,965	1,718,397
1936	102	2,540,374	4,736,786	2,540,327
1931	93	2,942,104	5,408,589	3,456,747
National Stock Yards (St. Louis):				
1937	43	1,248,674	1,933,722	769,077
1936	40	1,107,269	2,989,694	621,691
1931	44	1,074,585	2,397,438	549,504
Sioux City:				
1937	31	703,189	868,620	628,056
1936	30	852,406	2,310,903	748,998
1931	28	828,252	2,617,626	1,167,438
Wichita:				
1937	13	376,147	151,515	137,312
1936	14	243,201	545,062	122,723
1931	11	257,187	263,692	86,631
Kansas City:				
1937	43	1,742,314	418,011	1,241,041
1936	56	1,709,270	1,706,619	1,323,475
1931	59	1,957,927	1,196,764	1,800,262
		Buying volume		
1937		333,579	24,519	136,933
1936		390,382	137,305	157,204
1931		543,286	111,750	122,872

Statement showing number of agencies and selling volume at all markets for years 1931, 1933, 1936, and 1937 and buying volume for those years

	All markets	Number of agencies	Selling volume		
			Cattle and calves	Hogs	Sheep
1937	60	748	18,759,302	17,186,830	14,721,080
1933	55	669	15,781,202	31,380,414	16,635,641
1931	51	671	16,816,095	29,016,363	20,357,840
1936	59	726	18,928,121	19,498,739	14,692,298
			Buying volume		
1937			1,338,537	451,846	1,732,784
1933			1,640,721	960,454	2,571,364
1931			1,317,825	839,032	1,890,919
1936			1,196,071	393,856	1,490,488

Statement showing comparative charges on a 5-head consignment of cattle and of calves, under different tariff schedules

[The average consignment of trucked-in cattle and/or calves consists of 4 head. The average sale of all cattle and/or calves consisted of 5.22 head]

Character of consignment	Original rates prescribed in 1923	Tariff filed May 11, 1932	Rates in order of June 14, 1933	Rates prescribed at St. Louis	Rates prescribed at St. Joseph	Rates prescribed at Omaha	Rates prescribed at Sioux City
Calves: All cattle under 400 pounds average	$1.75	$1.50	[1] $1.25	$1.60 (128%)	$1.75 (140%)	$1.75 (140%)	$2.00 (167%)
Medium weight cattle between 400 and 800 pounds average	3.75	[2]	[1] 2.25	3.75 (166.67%)	3.50 (155%)	3.50 (155%)	4.00 (177%)
Heavy weight cattle over an 800 pounds average	3.75	3.50	[1] 3.50	3.75 (107%)	3.50 (100%)	3.50 (100%)	4.00 (114%)

[1] The order cut the rate per head on all headage over 20 in the consignment as to calves from 25 cents to 15 cents; on medium cattle from 40 cents to 25 cents; and heavy cattle from 60 cents to 50 cents. Over 60 percent now in Classes I and II.

[2] Arriving by truck, $3.25, arriving by rail $3.

The following occurred at the hearing before the examiner in connection with the examination by respondent of witness W. T. Angle, T1, 1778–1787:

Q. You say that you get up a financial audit and statement of your business every year?

A. Yes, sir.

Q. And have you got them back to the organization of your firm?

A. I expect we have.

Q. Can you produce them here?

A. Well, if the proper authority would require them to be brought forth, I presume they could.

Mr. GAGE. Mr. Examiner, I request them in connection with the examination of this witness.

Mr. BOHANNAN. Mr. Examiner, I am not, of course, going to enter an objection to the witness producing those things, but we will offer an objection to putting them in the evidence, in the record, either as exhibits or by questioning the witness concerning them, and so it seems possibly better to state the objection and get the ruling, before the trouble of producing these things is gone into, before the witness has the trouble of producing them.

Now, the basis of our objection to them going into evidence, of course, is immateriality and irrelevancy, and encumbering the record with matters that cannot possibly have any materiality to any issue in this cause.

The balances, where they be profit or loss, deficits, in many past years of this respondent would not seem to us to be material or relevant; certainly could not be any more material or relevant, than to go over the past financial history of all of the many Respondents, and if that were done, of course, it would produce a

tremendous record here on utterly immaterial points, but, just for the sake of the record, we will object, if that evidence is offered.

Mr. GAGE. Mr. Examiner, I thought I had seen some indication in the various kinds of evidence produced by the Government here or by Counsel for the Secretary, to the effect that they thought that, or tried to prove, there were too many firms in business here, or something of that sort; and here is a firm that was registered in 1923, by the Secretary to do business on this market, that brings in new competition to the market, and I want to see how much it cost that firm, in the difficulty that surrounded, from the standpoint of expense, the establishment of its business.

Now; we have a right to a return for the time, money, and effort that we have put into the building up of our several businesses. I am speaking now of my clients, these several Respondents, and this evidence is material from that standpoint.

I want to show by the record of this particular company, which is of recent origin, what the value to a business such as this is, of accumulated volume, and it is not for the purpose of prejudicing this company or its witness, in its relations with anybody, that I desire that these books and records be produced by the witness, to show exactly what these amounts were.

The company, it has been shown, had the backing of a large organization, and in connection with its transaction of business. I want to show that even under those circumstances the course that its financial affairs pursued, until it could get itself in shape to make any sort of a return upon the moneys

and time and effort that were invested in establishing the business.

The WITNESS. Mr. Examiner, may I say a word?

The EXAMINER. Yes; you have entered your appearance, anyway, as representing the Producers in this case, and while I understand you are not a lawyer, I presume you have the right to enter objection on behalf of the company that you appeared for, the same as if you were a lawyer, I take it.

What is your statement?

The WITNESS. I would object to bringing the financial history of our Association into the record, unless it was to bring out something in particular, pertaining to this case at hand, and then I would want to only do so upon the authority of one of our duly elected officers, because I am only an employee of the Association. Furthermore, the information that has been requested about the history of this Association over a period of time, when the normal trading conditions and practices were denied the Producers Commission Association, and the history of our finances, during that period, in no way, indicate what is proper evidence, to determine what it costs to market a car of livestock. Due to the conditions prevailing, we were denied the trading privileges of a big livestock market, and, as I stated before, it took away from us our business to the extent of over half the volume, after it had once been attained, and from that information, it appears to me you have got the general history of what happened and I feel that the information asked for is not to the point and the Association should not be compelled to give it.

Mr. GAGE. Now, Mr. Examiner, the witness has testified that he was not here himself during that

period. Therefore, his evidence must be largely hearsay. We will produce other evidence that there was no denial of trading privileges to his Association, and that, on the contrary, there was every reasonable trading privilege extended to it, as soon as it could take advantage of it, which it delayed doing, either for lack of capital, or because it did not care to do so for some period of time after its organization, maybe a year or may be a year and a half, and that as far as its trading relations are concerned, that it has had freer access to the traders and buyers of livestock down there than practically any market agency in business and we will show that by other testimony and show this evidence as to what its financial condition is is highly material, show what it costs to establish an agency of this character.

The EXAMINER. In what years do you want it for, Mr. Gage?

Mr. GAGE. I want it for every year from this date of its organization up to the present year. We have the right to bring the books in, if we desire to, with a subpoena duces tecum. As a matter of fact, some of this information I request has been made a matter of public record already. This Association is connected with the Federal Farm Board and I did not suppose that its operations, financial or otherwise, were to be kept secret. We are willing to let anybody go into any of the records of any of these Respondents for any period of time, if they so desire. This situation is always developing here, when you may happen to run into some organization that is connected with or using Government money, wanting to keep its records from the public, when private agencies, that are using their own money, are willing to reveal them,

and are asked to reveal them in this proceeding and have revealed them fully. I cannot understand it.

Mr. BOHANNAN. Mr. Examiner, I would like to say this, in connection with the objection that we have made. Mr. Gage's statement, made since Mr. Angle made his objection, illustrates just the grounds of our objection. Of course, in making our objection, we see no difference, in this whole proceeding, we see no difference between one Respondent and another. They are all Respondents, but our objection is based on the proposition of not trying the issues of fact of a boycott case or proceeding or hearing in a proceeding, instituted to inquire into the reasonableness of rates. Now, it would seem quite obvious, in view of the witness' testimony, that his firm was getting along well and then it was boycotted, that the cost of establishing a commission business on this market, in the face of a boycott, is not a fair test of the cost of establishing a commission business under normal conditions on this market. Now, of course, that will bring up instantly the matter of whether or not there was a boycott, and then you open, in this record, the trial of a boycott case of many years ago, and we just get so far afield that I don't know when we ever would get back to the issue of this proceeding.

Mr. GAGE. Well, now, Mr. Examiner, I think that is a wholly unfair statement for counsel to make. He knows that whatever condition prevailed at the time he referred to, in a proceeding, to which the then Secretary of Agriculture was a party, was reviewed by the Federal Court and that it made its decision and that decision has been complied with. There hasn't been a complaint about it since 1924, in so far as any information I have. Here is a witness, who comes in and has an excuse for not giving

us the information that all other Respondents have freely given, and, although he was not present here on this market, at the time, says, or attempts to say, that there was some boycott, as he calls it, that prevented his firm getting the start that it ought to have. Well, that can be tested out in the light of the circumstances that are shown both from the decision of the Court, and can be shown from other evidence. There has been no such condition prevailing. This concern is using all the facilities of the Exchange that were established by the membership of the Exchange, as their own property, using it upon equal terms, under a market practice agreement, and certainly I don't think it lays in the mouth of this witness or anyone else, when the evidence is all heard, to raise any such question as to that here; simply, as I view it, an excuse for not wanting to show the real situation. Now, there is another reason why this testimony is material—here is a new competitor set up which we will show is financed not by private individuals, but you might say has its hand right on the doorknob of the United States Treasury, coming in here to contest with these other Respondents for the business that is available to this market. Now, that is competition of a sort that is dangerous, and it is subsidized competition. We have a right to show its nature in this record, show what it is and then let the Secretary determine a rate that is based upon its existence here, and let the Court, a Court, if it should ever have occasion to review this record, see what the actual situation is. The witness has testified that any individual that owns livestock is free, with or without membership, to consign that livestock to his concern, get any saving that may result from so doing, and we will

develop later the conditions that surround the operation of that agency. I suggested to Mr. Bohannan, half a dozen times, as the Examiner knows, in this record, that instead of having any trouble or examining any witnesses about those facts, or making it appear like we were attacking another individual, just to let those facts go in as agreed and stipulated. The Government certainly knows what the facts are. I believe the Secretary is ex-officio member of the Board and we have to get them into this record in order that they may be here. I am not seeking the development of this situation, but it is forced upon me, as the representative of the Respondents that I happen to represent here, to bring out these facts, but if we couldn't do it by agreement, although they are matters in which the Government itself is concerned, why, we have to do it the best way that we can, otherwise.

Mr. BOHANNAN. Now, Mr. Examiner, of course, what we are objecting to here, at this time, has nothing whatever to do with the Farm Board. The information requested concerns a period before the Farm Board was ever heard of, before any legislation was even introduced in Congress, or passed, creating the Farm Board. The matter of the Farm Board and what aid it gives to any agency on this market, is an entirely separate matter. The matter here is the question of the production, as I understand it, by this witness, over the objection of one of the parties to this proceeding, one of the Respondents, and over the objection of counsel for the Government, of an accounting of the results of certain past years of one of the Respondent's business. Now, of course, in so far as that Respondent has personal objections to producing these things, that is for that

Respondent to make. The Government isn't doing that. The point with the Government is, the Government counsel, that if that Respondent is required to produce those things, that Respondent will have an equal right, I take it, through the procedure followed in these cases, to go into proving how the deficits--and I understand that this witness has testified that there were deficits--what caused them, and we may find ourselves, as I said before, trying the old issue of a boycott, which, as far as I can see, does not have any bearing upon what is the reasonable rate to be charged by the market agencies, doing business, at this time, on the Kansas City stockyards.

The EXAMINER. Well, the Examiner will not rule on that now. I hope to be in a position to rule on it sometime tomorrow, probably tomorrow morning sometime. As I understand, Mr. Gage wants a profit and loss account of the Producers Commission Association, from the time it was organized, March 6, 1923, here at Kansas City, up to date, and Mr. Bohannan, as I understand, thinks that that is immaterial and should not go in, and Mr. Angle, who is manager of the Producers Commission Association, thinks that he should not be required to produce it. Have I stated, briefly, the substance or correct position?

The EXAMINER. Yesterday afternoon, shortly before adjournment, Mr. Gage asked Mr. Angle, manager of the Producers Commission Association, to produce the profit and loss account of that association from the time it was organized, March 6, 1923, here at Kansas City, up to date. Mr. Angle said that he would not produce that, unless required to do so, and Mr. Bohannan stated that he considered it immaterial, and would object to it, if so produced.

The Examiner took the matter under advisement, and now rules that the matter would be irrelevant from March 6, 1923, up to Jan. 1, 1929.

The Examiner understands that the Government is going to offer the audit of the Producers Commission Association, Jan. 1, 1929, for that calendar year, and probably put in some data for 1930. The Examiner rules that Mr. Gage has a right to examine the witness on anything pertaining to the matter of cost, expenses, and so on, from Jan. 1, 1929, to date, and that any matter that pertains to that audit which will be introduced, that the witness hasn't got, that he feels he should get.

Mr. GAGE. Now, on behalf of the Respondents that I represent, I offer to prove by the books and records, the production of which is denied by order of the Examiner, that the Producers Commission Association entered the livestock commission business as a market agency at the Kansas City stockyards, early in the year 1923; that in that year it handled 214,735 head of livestock and collected commissions thereon amounting to the gross sum of $80,414.32; that its operating expenses that year were $78,962.48; that its net earnings that year were $1,451.84, resulting in a net profit amounting to 1.81% of the gross commissions; that in 1924, the following year, and after the proceedings before the Secretary had taken place and which were reviewed by three District Judges of the Federal Court in this district, had occurred, this company handled the total number of 301,957 head of livestock and collected gross commissions during the year 1924, amounting to $91,837.19; that the operating expenses of this association during that year were $106,657.62, producing a net loss for that year of

$14,820.43, or a loss aggregating 16.14% of the commissions collected; that in the year 1925, this association handled 187,167 head of livestock, collected gross commissions amounting to $64,917.26, its operating expenses amounted to $80,128.00, its net loss that year being the amount of $15,210.74, or 23.43% of the total commissions collected; that the following year, 1926, this association handled 208,638 head of livestock, collected $64,433.74 in commissions; its operating expenses that year amounted to $66,874.33, resulting in a net loss of operations that year of $2,440.59, or 3.79% of the gross commissions. We also offer to prove by these books and records that substantially the same number of head of livestock was handled by this concern in the years 1927 and '28, each, and substantially the same amount of commissions collected, resulting in approximately the same percentages of earnings or losses as indicated by the former figures given with respect to the year 1926.

I would like a ruling from the Examiner upon that offer of proof.

The EXAMINER. The offer of proof denied.

Mr. GAGE. Now, I also want to state in this regard that the theory upon which this offer is made is this: that we will supplement the showing produced by these records, by showing, as to the published reports of the same association, with regard to the conduct of its business at some eleven other livestock markets during the years in question and referred to in my offer of proof, located in various parts of the United States, including the eight markets, copies of whose schedules of tariffs and charges have been offered in evidence by Counsel for the Secretary, and that the record of earnings and losses at those markets

by the same association will show that the relative cost of transacting the same relative volume of business upon the Kansas City livestock market during the years in question was much greater than it was upon any of the other markets that I have mentioned, including all eight of the markets, the schedule of tariffs and charges with respect to which has been offered in evidence by Counsel for the Secretary, or at least that portion of those markets upon which this corporation maintained commission houses.

We will further supplement that proof by showing that no boycott or impediment to trading of any kind or character existed with reference to the business of this association at the Kansas City market, subsequent to the month of November, 1923, and prior to the year in which this association received its greatest volume of receipts of livestock upon this market, of any year up to the present date.

We offer this evidence for the purpose of showing the natural costs incident to the establishment of a going livestock commission business upon the Kansas City livestock market, and the comparative costs as between this market and other markets, evidence in respect to which, over our objection, Counsel for the Secretary has put into the record; that is, evidence in regard to the pending schedules of tariffs and charges.

We offer it for the further purpose of showing and developing therefrom the cost that is incident to establishing upon this market a livestock commission business, and the value both from the standpoint of going value and goodwill, which is inherent in an established livestock commission business, and upon which Respondents are entitled to a reasonable return as upon capital invested in the business.

We further offer to prove by the books and records in question the facts that I have outlined in this offer of proof, for the reason that, from those facts, are developed the new competition to the business of these several Respondents that has been inducted upon the market by registration of this agency by the Secretary of Agriculture, under the provisions of the Packers and Stockyards Act of 1921, and for the purpose of showing that this agency has done business upon the Kansas City livestock market during the years in question in substantial volume, and that such business has been, as the witness has already testified, fostered and encouraged by other Governmental agencies and constitutes competition of a real and substantial character, the existence of which the Secretary should take into consideration in determining the reasonableness of any schedule of rates and charges to be applied to this market; and further for the purpose of developing the actual situation which exists, making it impossible for the business of the several Respondents under consideration in this proceeding to become monopolistic in character.

The EXAMINER. As I understand, that is up till Jan. 1, 1929?

Mr. GAGE. Yes.

The EXAMINER. The offer of proof denied.

Mr. GAGE. I further want to point out the fact in this record at the present time that the Counsel for the Government, in the examination of previous witnesses in this case, particularly the witness Claude Vance, of John Clay & Co., went into identically the same matters with respect to the books and records of John Clay & Co., which we now ask to go into with respect to the books and records of the

company with which this particular witness is associated.

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The EXAMINER. The Examiner understood Mr. Gage's offer to go up to January 1, 1929. I believe that is correct, isn't it, Mr. Gage?

Mr. GAGE. Yes.

The EXAMINER. So, I deny the offer of proof.

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UNITED STATES OF AMERICA

Before the Secretary of Agriculture

Bureau of Animal Industry Docket No. 311

Report and Recommendations of Examiner

Secretary of Agriculture

v.

L. B. Andrews, doing business as L. B. Andrews Livestock Commission Company;

A. B. Bachman, doing business as A. B. Bachman Livestock Commission Company;

W. N. Baucus and Ira Kimmons, a partnership doing business as Baucus & Company;

Charles N. Bird;

Charles E. Blount, doing business as Charles E. Blount & Company;

Frank Boddington, doing business as Frank Boddington Livestock Commission Company;

Bowles Livestock Commission Company;

Burlington Livestock Commission Company;

Henry F. Carnes, doing business as Henry F. Carnes Livestock Commission Company;

Cassidy Southwestern Commission Company;

John Clay, F. H. Connor, C. A. Kleman, and J. G. Forrest, a partnership doing business as John Clay & Company;

Crider Brothers Commission Company;

Warren Cummings, doing business as Warren Cummings Livestock Commission Company;

W. E. Curtis doing business as W. E. Curtis & Company;

CHARLES DIXON COMMISSION COMPANY;

E. R. CORRIGAN AND KARL N. SOEDER, A PARTNERSHIP DOING BUSINESS AS CORRIGAN & SOEDER;

DRUMM STANDISH COMMISSION COMPANY;

EHRKE-MARTIN LIVESTOCK COMMISSION COMPANY;

E. W. ELLIOTT AND R. K. SWAIN, A PARTNERSHIP DOING BUSINESS AS ELLIOTT, SWAIN & COMPANY;

FARMERS UNION LIVESTOCK COMMISSION;

FARRAR, DAVIS & CAMPBELL LIVESTOCK COMMISSION COMPANY;

LINK FASKEN, DOING BUSINESS AS LINK FASKEN COMMISSION COMPANY;

GILLESPIE & JONES LIVESTOCK COMMISSION COMPANY;

W. G. GLADISH, DOING BUSINESS AS GLADISH LIVESTOCK COMMISSION COMPANY;

E. W. GOODSON, G. E. GOODSON, AND O. C. GREEN, A PARTNERSHIP DOING BUSINESS AS GOODSON-GREEN COMPANY;

NORMAN B. GREER, DOING BUSINESS AS GREER & COMPANY;

O. C. HAGGART, JOHN H. WILSON, AND GLENN HAGGART, A PARTNERSHIP DOING BUSINESS AS HAGGART, WILSON LIVESTOCK COMMISSION COMPANY;

W. F. HUMPHREY, DOING BUSINESS AS W. F. HUMPHREY & COMPANY;

INMAN-HUTTON LIVESTOCK COMMISSION COMPANY;

W. E. BURRUS, DOING BUSINESS AS INTERSTATE LIVESTOCK COMMISSION COMPANY;

J. G. JACKSON;

JEFFERSON-LOWRY-DAVIS COMMISSION COMPANY;

W. M. LIGGETT AND ROY K. SANSON, A PARTNERSHIP DOING BUSINESS AS KANSAS CITY LIVESTOCK COMMISSION COMPANY;

HARRY KENNALEY, DOING BUSINESS AS HARRY KENNALEY COMMISSION COMPANY;

W. C. KILE, DOING BUSINESS AS W. C. KILE LIVESTOCK COMMISSION COMPANY;

H. H. KLECKER, DOING BUSINESS AS HINIE KLECKER SHEEP COMMISSION COMPANY;

E. L. KNIGHT AND E. TICE, A PARTNERSHIP DOING BUSINESS AS KNIGHT & TICE SHEEP COMMISSION COMPANY;

HARMON C. KNIGHTON, DOING BUSINESS AS HAM KNIGHTON COMMISSION COMPANY;

S. KRAUS;

J. M. LAIRD, G. T. LAIRD, AND H. E. LAIRD, A PARTNERSHIP DOING BUSINESS AS LAIRD BROS. LIVESTOCK COMMISSION COMPANY;

WALTER G. LAND, DOING BUSINESS AS WALTER G. LAND LIVESTOCK COMMISSION COMPANY;

W. M. LEITCH SHEEP COMMISSION COMPANY;

L. LEVY;

R. H. LEWIS and S. H. FLOURNOY, a partnership doing business as Lewis-Flournoy Livestock Commission Company;

A. E. LONG AND ROBERT B. PERRY, a partnership doing business as Long-Perry Livestock Commission Company;

MARTIN BROS. & LEE LIVESTOCK COMMISSION COMPANY;

A. J. MAURER;

GROVER C. MAXWELL, doing business as Grover C. Maxwell Commission Company;

H. B. DORSETT, doing business as M. K. & T. Commission Company;

T. S. MOFFETT, H. M. BAKER, AND J. M. MCLAIN, a partnership doing business as Moffett Livestock Commission Company;

FRED O. MORGAN, doing business as Fred O. Morgan Commission Company;

JAY D. MCCORMICK, doing business as Jay D. McCormick Livestock Commission Company;

MCDONALD Livestock Commission Company;

ROY W. NANCE, doing business as Roy W. Nance Livestock Commission Company;

National Livestock Commission Company of Kansas City;

JOHN M. NICHOLS, doing business as John M. Nichols Livestock Commission Company;

E. E. SUTTON, doing business as O. K. Cattle Company;

W. O. PARK;

W. H. PEED, doing business as W. H. Peed Livestock Commission Company;

K. L. PETERSON AND W. F. HUMPHREY, a partnership doing business as K. L. Peterson & Company;

BRYANT POOLE, D. L. DEMPSEY, AND JAMES RUTHERFORD, a partnership doing business as Poole-Dempsey-Rutherford Livestock Commission Company;

Producers Commission Association;

J. M. RAGLAND, W. B. STORTS, AND W. L. BURRUS, a partnership doing business as Ragland, Storts & Burrus;

M. W. RICE AND GEORGE E. KIRK, a partnership doing business as Rice & Kirk;

GEORGE P. ROBINSON AND JOE R. HOOVER, a partnership doing business as Robinson-Hoover Commission Company;

F. W. BANKS AND C. A. ROUNTREE, A PARTNERSHIP DOING BUSINESS AS ROUNTREE-BANKS;

RYAN-ROBINSON COMMISSION COMPANY;

FERN O. SANDERS, DOING BUSINESS AS FERN O. SANDERS LIVESTOCK COMMISSION COMPANY;

WILLIAM M. SCHWARTZ, JOSEPH M. NOLAN, AND LAWRENCE FEAMAN, JR., A PARTNERSHIP DOING BUSINESS AS SCHWARTZ-FEAMAN-NOLAN COMPANY;

E. F. SEARLS, DOING BUSINESS AS GEORGE W. SEARLS & SON;

THE STAGNER, PIERONNET & WILLIS LIVESTOCK COMMISSION COMPANY;

B. C. STANLEY, DOING BUSINESS AS STANLEY COMMISSION COMPANY;

C. A. STUART, DOING BUSINESS AS C. A. STUART & COMPANY;

SWIFT & HENRY LIVESTOCK COMMISSION COMPANY;

GEORGE S. TAMBLYN, DOING BUSINESS AS TAMBLYN COMMISSION COMPANY;

L. KNOP, HENRY F. THIES, E. J. THIES, F. W. THIES, AND A. C. THIES, A PARTNERSHIP DOING BUSINESS AS H. THIES & SONS;

BEN L. WELCH, DOING BUSINESS AS WELCH LIVESTOCK COMMISSION COMPANY;

DAN WESTER, R. W. WESTER, AND JOSEPH SMITH, A PARTNERSHIP DOING BUSINESS AS WESTER BROS. & SMITH COMMISSION COMPANY;

J. LESS WHITE, DOING BUSINESS AS LESS WHITE LIVESTOCK COMMISSION COMPANY;

WILSON, EGAN & COMPANY;

WITHERSPOON LIVESTOCK COMMISSION COMPANY;

CURTIS A. WOOD;

W. E. WOODFORD, DOING BUSINESS AS W. E. WOODFORD LIVESTOCK COMMISSION COMPANY;

RALPH W. WRIGHT;

RALPH W. WRIGHT AND WM. N. BAUCUS, PARTNERS, DOING BUSINESS AS WRIGHT AND BAUCUS LIVESTOCK COMMISSION COMPANY;

JOHN CLAY, F. H. CONNOR, ALAN F. WILSON AND CHAS. G. SMITH, PARTNERS, DOING BUSINESS AS JOHN CLAY AND COMPANY;

L. E. TICE, DOING BUSINESS AS KNIGHT & TICE SHEEP COMMISSION COMPANY;

J. M. LAIRD AND G. T. LAIRD, PARTNERS, DOING BUSINESS AS LAIRD BROS. LIVESTOCK COMMISSION COMPANY;

WALTER G. LAND AND JOHN E. MAZE, PARTNERS, DOING BUSINESS AS WALTER G. LAND LIVESTOCK COMMISSION COMPANY;

CHARLES F. VIEREGG AND ROBERT H. STOVER, PARTNERS, DOING BUSINESS AS W. M. LEITCH SHEEP COMMISSION COMPANY;

H. E. LONG, ROBERT B. PERRY AND B. W. PERRY PARTNERS, DOING BUSINESS AS LONG-PERRY LIVESTOCK COMMISSION COMPANY;

MARTIN, BLOMQUIST & LEE COMMISSION COMPANY, A CORPORATION;

GROVER C. MAXWELL AND BEN J. FURNISH, PARTNERS, DOING BUSINESS AS MAXWELL & FURNISH LIVESTOCK COMMISSION COMPANY;

H. M. BAKER, W. C. BRADSHAW, BARNEY METZ AND LOUIZE MCGREW MOFFETT, A PARTNERSHIP, DOING BUSINESS AS THE MOFFETT LIVESTOCK COMMISSION COMPANY;

J. M. RAGLAND, W. B. STORTS, AND W. L. BURRUS, PARTNERS, DOING BUSINESS AS THE RAGLAND, STORTS, AND BURRUS LIVESTOCK COMMISSION COMPANY;

LAWRENCE FEAMAN AND J. M. NOLAN, PARTNERS, DOING BUSINESS AS FEAMAN AND NOLAN;

STUART-ROBINSON-HOOVER COMPANY, A CORPORATION;

J. Less White and O. C. Seamans, a partnership, doing business as the Less White & Seamans Livestock Commission Company;

R. W. Wester and Joseph P. Smith, partners, doing business as Wester Bros. & Smith Commission Company;

Clay W. Stephenson and T. Ray Graybill, partners, doing business as Graybill and Stephenson;

Great Western Order Buying Company, a corporation;

Dave Hamer, doing business as Dave Hamer Livestock Commission Company; and

Harry Conley, W. H. Cripe, and J. Ed Freed;

Leo Barnes, doing business as Leo Barnes Sheep Comm. Co.;

E. K. Corrigan and J. P. Corrigan, doing business as E. K. Corrigan & Co.;

Lee A. Cox, doing business as Lee A. Cox Comm. Co.;

O. E. Crane, doing business as O. E. (Bus) Crane Livestock Comm. Co.;

Home Livestock Comm. Co., a corporation;

Hoover-O'Neal Comm. Co., a corporation;

Clay A. Hosmer, doing business as Clay Hosmer and Son;

Harold W. Cripe and Bernhardt Block, doing business as Independent Order Buying Company;

Frank H. Connor, Alan F. Wilson, and Charles G. Smith, doing business as C. A. Kleman;

John C. Long, doing business as John Long Comm. Co.;

John G. Magrath, doing business as Magrath Livestock Comm. Co.;

VINT D. SHALKOSKI, DOING BUSINESS AS MIDWEST SHEEP COMM. CO.;

F. J. MONSCHE, DOING BUSINESS AS F. J. MONSCHE & CO.;

J. A. PREVOST, DOING BUSINESS AS PREVOST ORDER BUYING CO.;

KARL N. SOEDER, DOING BUSINESS AS KARL N. SOEDER & CO.;

GEORGE W. TENNYSON, DOING BUSINESS AS GEORGE W. TENNYSON ORDER BUYING CO.;

FRED E. WITTER AND I. R. MCADAMS, DOING BUSINESS AS WITTER & MCADAMS LIVESTOCK COMM. CO.;

FRANK STANDISH OF FRANK STANDISH CO.;

W. R. HENSLEY OF GREAT WESTERN ORDER BUYING COMPANY;

BEN W. PERRY OF PERRY LIVESTOCK COMMISSION CO.;

EDWARD W. BROWN, A PARTNER WITH GEORGE S. TAMBLYN, DOING BUSINESS AS TAMBLYN COMM. CO.;

EDWARD W. BROWN, A PARTNER WITH WM. L. TAMBLYN, DOING BUSINESS AS TAMBLYN COMM. CO.;

C. A. STUART OF STUART-ROBINSON CO., A CORPORATION;

C. A. STUART, A PARTNER WITH HARMON G. KNIGHTON, AND W. SCOTT STUART, DOING BUSINESS AS STUART-ROBINSON CO.;

ORVILLE E. CRANE, A PARTNER OF THE FORMER FIRM OF KNIGHTON AND CRANE LIVESTOCK COMMISSION CO.;

E. W. HOUX, A PARTNER WITH A. B. ROBINSON AND W. L. MCCANDLESS, DOING BUSINESS AS DRUMM COMMISSION COMPANY;

K. BOWLES, ADMINISTRATRIX FOR T. L. BOWLES, DOING BUSINESS AS BOWLES LIVESTOCK COMM. CO.;
W. R. HENSLEY, A PARTNER IN GREAT WESTERN ORDER BUYING CO.;
FERN O. SANDERS, PARTNER OF SANDERS BROS. L. S. COMM. CO.;
CLAY W. STEPHENSON OF GRAYBILL & STEPHENSON;
H. W. CRIPE, SON OF W. H. CRIPE, DECEASED;
W. C. BRADSHAW OF MOFFETT LIVESTOCK COMM. CO.; RESPONDENTS.

PROCEEDINGS

1. This is a proceeding under Title III of the Packers and Stockyards Act, 1921, instituted by the Secretary of Agriculture according to his order of April 7, 1930. By this order of inquiry and notice of hearing the Secretary of Agriculture directed that an inquiry be made into the reasonableness and lawfulness of all rates and charges provided in the tariffs of the respondent market agencies at the Kansas City Stockyard, Kansas City, Missouri.

2. Said order of inquiry and notice alleged that the respondents were registered and doing business under the Packers and Stockyards Act, 1921, as market agencies engaged in the business of buying and/or selling livestock on a commission basis at the Kansas City Stockyard in Kansas City, Missouri, which has been found by the Secretary of Agriculture to be a "stockyard" as that term is defined in Title III of the Act and posted as such; that in accordance with the requirements of said Act respondents had theretofore filed, published, and put into effect a schedule of rates and charges for their services as market

agencies as set forth in their tariffs and supplements thereto; that the interest of shippers, producers of livestock who patronize respondent agencies and the public generally require that inquiry be instituted under Title III of the Act for the purpose of determining the reasonableness and lawfulness of the rates and charges of all respondents named therein as set forth in their tariffs and supplements thereto.

3. Notice of such hearing was given to the respondents by serving upon them a copy of said order and notice. Pursuant to this order and notice a hearing was held at Kansas City, Missouri; before an examiner designated by the Secretary of Agriculture and said hearing began on December 3, 1930, and concluded on February 10, 1931. The respondents who were members of the Kansas City Livestock Exchange were present by counsel throughout the hearing. The following respondents were not present by counsel: The Farmers Union Livestock Commission and the Producers Commission Association, whose respective managers entered their appearance at the hearing; E. W. Goodson, G. E. Goodson, and O. C. Green, a partnership doing business as Goodson-Green Company who were succeeded by O. C. Green and Robert Coble, a partnership doing business as Goodson-Green Company; J. G. Jackson, W. O. Park; E. F. Searls, doing business as Geo. W. Searls and Son; and, Curtis A. Wood. The following respondents had ceased to do business on the Kansas City market at the time the hearing commenced: A. B. Bachman, doing business as A. B. Bachman Livestock Commission Company; Charles N. Bird; S. Kraus; L. Levy; H. B. Dorsett, doing business as M. K. and T. Commission Company; Roy W. Nance, doing business as Roy W.

Nance Livestock Commission Company; E. E. Sutton, doing business as O. K. Cattle Company; F. W. Banks and C. A. Rountree, a partnership doing business as Rountree-Banks; and W. E. Woodford, doing business as W. E. Woodford Livestock Commission Company. Certain changes in the organization of the respondents had taken place as follows: Charles E. Blount, doing business as Charles E. Blount and Company, was succeeded by Charles E. Blount and Earnest E. Skaggs, doing business as Blount-Skaggs Company; John Clay, F. H. Conner, C. A. Kleman, and J. G. Forrest, a partnership doing business as John Clay and Company, succeeded by John Clay, F. H. Conner, A. F. Wilson and C. G. Smith, a partnership doing business as John Clay and Company; W. M. Liggett and Roy K. Sanson, a partnership doing business as Kansas City Livestock Commission Company, succeeded by W. M. Liggett, doing business as the Kansas City Livestock Commission Company; E. L. Knight and Lawrence E. Tice, a partnership doing business an Knight and Tice Sheep Commission Company, succeeded by Lawrence E. Tice, doing business as Knight and Tice Sheep Commission Company; J. M. Laird, G. T. Laird, and H. E. Laird, a partnership doing business as Laird Brothers Livestock Commission Company, succeeded by J. M. Laird, and G. T. Laird, a partnership doing business as Laird Brothers Livestock Commission Company; W. M. Leitch Sheep Commission Company, succeeded by Charles F. Vieregg and Robert H. Stover, a partnership doing business as the W. M. Leitch Sheep Commission Company; A. E. Long, and Robert B. Perry, a partnership doing business as Long-Perry Livestock Commission Com-

pany, succeeded by A. E. Long, Robert B. Perry, and B. A. Perry, a partnership doing business as Long-Perry Livestock Commission Company; K. L. Peterson and W. F. Humphrey, a partnership doing business as K. L. Peterson and Company, succeeded by K. L. Peterson, doing business as K. L. Peterson and Company. Counsel for respondent market agencies who are members of the Kansas City Livestock Exchange entered appearances for these firms whose organization had been changed.

4. Oral argument was had before the Acting Secretary of Agriculture on March 27, 1931, and respondents' counsel submitted a brief on behalf of the members of the Exchange.

5. On May 18, 1932, the Acting Secretary of Agriculture issued an order directing that on and after thirty (30) days from the date of the order the respondent market agencies and each of them cease and desist from demanding or collecting for any stockyard service the rate or charge shown therefor in the schedule of rates and charges then on file with the Secretary of Agriculture; that on and after said thirty days neither the respondent market agencies nor any of them should publish, demand, or collect any rate or charge for the furnishing of any stockyard service in excess of the rate or charge deemed in said order to be just, reasonable and nondiscriminatory for the furnishing of such service; that at least ten days prior to the date on which said order would become effective each and every of the respondent market agencies publish, give notice of, and file with the Secretary of Agriculture, in accordance with the Packers and Stockyards Act, 1921, and the regulations of the Secretary of Agriculture thereunder, a schedule showing all rates and charges for the stock-

yard services furnished by such respondent at the Kansas City Stockyard, Kansas City, Missouri, and all rules and regulations changing, affecting or determining such rates or charges, and that no rate or charge so shown for any such stockyard services be in excess of the rate or charge determined by said order to be just, reasonable and nondiscriminatory for such service. The effective date of the order was thereafter extended to July 18, 1932.

6. On May 26, 1932, many of the respondents filed petitions alleging in detail the general economic changes which had developed in the United States since the year 1929, that being the year of the specific financial experience of respondents which the Secretary had used in the determination of the reasonableness of respondents' rates, and further alleging in detail the particular effect upon the business of such market agency of said general changes, especially with respect to the volume of business handled by each of such market agencies. Each of the petitions prayed that the order of the Acting Secretary of Agriculture, dated May 18, 1932, be withdrawn and that this proceeding be reopened for reinvestigation of the matters and things referred t · in the order of inquiry and be set down for further hearing upon the subjects set forth in the aforesaid petitions.

7. On May 11, 1932, and prior to the issuance of the order of May 18, 1932, and the filing of said petitions, each and every of the petitioning market agencies, filed with the Secretary, to become effective May 23, 1932, a schedule showing either expressly or by reference all rates and charges for the stockyard services furnished by such market agencies at the Kansas City Stockyard, Kansas City, Missouri, each of which schedules has for convenience been desig-

nated "Kansas City Livestock Exchange Tariff No. 3," and has been in force and effect since said 23rd day of May, 1932.

8. In view of the decision of the Supreme Court of the United States in the case of *Atchison, Topeka & Santa Fe Ry. Co.* v. *United States*, 284 U. S. 248, and of the District Court of the United States for the Western District of Missouri in the case of *St. Joseph Stockyards Company* v. *The United States*, 58 Fed. (2d) 290, the Secretary was of the opinion that it was his duty under the law to reopen this docket and hold a rehearing to the end that all parties in interest might be given opportunity to present such evidence of changes both general and particular as have occurred since the year 1929 and are material to the issues raised by the Order of Inquiry herein, and also to the end that all parties might have opportunity to present such other things as might be material to said issues; and further to the end that a general inquiry might be had into the reasonableness and lawfulness of each and every rate and charge, and each and every rule and regulation affecting any rate or charge stated in said new schedules known as Kansas City Livestock Exchange Tariff No. 3 and in the new schedules filed by the Farmers Union Live Stock Commission and the Producers Commission Association, respectively, on June 10, 1932, as aforesaid, and in any and all schedules of market agencies in effect at said Kansas City Stockyard at the time of the rehearing ordered by the Secretary. Accordingly, the Secretary by an order dated July 15, 1932, vacated the aforesaid order of May 18, 1932, and directed a rehearing for the purposes aforesaid.

9. The rehearing ordered as above stated was held at the Kansas City Athletic Club Building in Kansas

City, Missouri, by adjournment from the Federal Building in said city. The hearing began on the 6th day of October and was concluded on November 16, 1932.

10. By the order of July 15, 1932, granting a rehearing herein, the following additional parties were made respondents in the cause, namely: Ralph W. Wright and Wm. N. Baucus, partners doing business as Wright and Baucus Live Stock Commission Company; John Clay, F. H. Connor, Alan F. Wilson and Chas. G. Smith, partners, doing business as John Clay and Company; L. E. Tice, doing business as Knight & Tice Sheep Commission Company; J. M. Laird and G. T. Laird, partners doing business as Laird Bros. Live Stock Commission Company; Walter G. Land and John E. Maze, partners doing business as Walter G. Land Live Stock Commission Company; Charles F. Vieregg and Robert H. Stover, partners doing business as W. M. Leitch Sheep Commission Company; H. E. Long, Robert B. Perry and B. W. Perry, partners doing business as Long-Perry Live Stock Commission Company; Martin, Blomquist & Lee Commission Company, a corporation; Grover C. Maxwell and Ben J. Furnish, partners doing business as Maxwell & Furnish Livestock Commission Company; H. M. Baker, W. C. Bradshaw, Barney Metz, and Louise McGrew Moffett, a partnership doing business as the Moffett Live Stock Commission Company; J. M. Ragland, W. B. Storts, and W. L. Burrus, partners doing business as the Ragland, Storts and Burrus Live Stock Commission Company; Lawrence Feaman and J. M. Nolan, partners doing business as Feaman and Nolan; Stuart-Robinson-Hoover Company, a corporation; J. Less White and O. C. Seamans, a

partnership, doing business as the Less White & Seamans Live Stock Commission Company; R. W. Wester and Joseph P. Smith, partners, doing business as Wester Bros. & Smith Commission Company; Clay W. Stephenson and T. Ray Graybill, partners, doing business as Graybill and Stephenson; Great Western Order Buying Company, a corporation; Dave Hamer, doing business as Dave Hamer Live Stock Commission Company; Harry Conley, W. H. Cripe, and J. Ed Freed.

11. At the time of the rehearing in this cause above described, the following respondents were not engaged in business at the Kansas City Stockyard; L. B. Andrews, doing business as L. B. Andrews Live Stock Commission Company; A. B. Bachman, doing business as A. B. Bachman Live Sotck Commission Company; Charles N. Bird; Charles E. Blount, doing business as Charles E. Blount & Company; Gillespie & Jones Live Stock Commission Company; E. W. Goodson, G. E. Goodson, and O. C. Green, a partnership doing business as Goodson-Green Company; W. E. Burrus, doing business as Interstate Live Stock Commission Company; S. Kraus; L. Levy; H. B. Dorsett, doing business as M. K. & T. Commission Company; Roy W. Nance, doing business as Roy W. Nance Live Stock Commission Company; E. E. Sutton, doing business as O. K. Cattle Company; George P. Robinson and Joe R. Hoover, a partnership doing business as Robinson-Hoover Commission Company; F. W. Banks and C. A. Rountree, a partnership doing business as Rountree-Banks; E. F. Searls, doing business as George W. Searls & Son; Curtis A. Wood; W. E. Woodford, doing business as W. E. Woodford Live Stock Commission Company; and Ralph W. Wright.

12. By reason of changes in their organization, the following respondents had at the time of the rehearing herein ceased to engage in business at the Kansas City Stock Yards under the firm name and style under which they were named as parties respondent in this proceeding; W. N. Baucus and Ira Kimmons, a partnership doing business as Baucus and Company; John Clay, F. H. Connor, C. A. Kleman, and J. G. Forrest, a partnership doing business as John Clay & Company; E. L. Knight and E. Tice, a partnership doing business as Knight & Tice Sheep Commission Company; J. M. Laird, G. T. Laird, and H. E. Laird, a partnership doing business as Laird Bros. Live Stock Commission Company; Walter G. Land, doing business as Walter G. Land Live Stock Commission Company; W. M. Leitch Sheep Commission Company; A. E. Long and Robert B. Perry, a partnership doing business as Long-Perry Live Stock Commission Company; Martin Bros. & Lee Live Stock Commission Company; Grover C. Maxwell, doing business as the Grover C. Maxwell Commission Company; T. S. Moffett, H. M. Baker, and J. H. McLain, a partnership doing business as Moffett Live Stock Commission Company; J. M. Ragland, W. B. Storts, and W. L. Burrus, a partnership doing business as Ragland, Storts and Burrus; William M. Schwartz, Joseph M. Nolan, and Lawrence Feaman, Jr., a partnership doing business as Schwartz-Feaman-Nolan Company; C. A. Stuart, doing business as C. A. Stuart & Company; J. Less White, doing business as Less White Live Stock Commission Company; and Dan Wester, R. W. Wester, and Joseph Smith, a partnership doing business as Wester Bros. & Smith Commission Company. Frank

Boddington, doing business as the Boddington Live Stock Commission Company, a respondent in this proceeding, died on October 14, 1932.

13. It appears of record that at the rehearing described in paragraph 9 hereof, all respondents were present by counsel except Farmers Union Livestock Commission; J. G. Jackson; McDonald Live Stock Commission Company; W. O. Park; K. L. Peterson, doing business as K. L. Peterson Order Buying Company; Producers Commission Association; M. W. Rice and George E. Kirk, a partnership doing business as Rice & Kirk; Harry Conley; W. H. Cripe; and J. Ed Freed.

14. It also appears of record that Farmers Union Live Stock Commission; McDonald Live Stock Commission Company; K. L. Peterson, doing business as K. L. Peterson & Company; Producers Commission Association; Harry Conley; and W. H. Cripe were duly served with a copy of the aforesaid order granting a rehearing in this cause. It does not appear of record that either J. G. Jackson; W. O. Park; M. W. Rice and George E. Kirk, a partnership doing business as Rice and Kirk; J. Ed Freed, or any of them, were either present at the rehearing in person or by counsel or were served with a copy of the order granting rehearing herein. However, it does appear that John B. Gage, Esq., Attorney-at-law of Kansas City, Missouri, who appeared for most of the respondents, both at the original and the rehearing, announced at the original hearing that he represented M. W. Rice and George E. Kirk, a partnership doing business as Rice and Kirk, and there is nothing in the record of the rehearing to negative the continuance of such representation except that said record fails to show the inclusion of these respondents in

the list of those stated by Mr. Gage as being represented by him.

15. Oral argument on the basis of the record made at the original hearing and at the rehearing was had before the Acting Secretary of Agriculture on March 24, 1933. Respondents' counsel was given until April 15, 1933, to file a brief, and so filed it.

15–a. On June 14, 1933, the Secretary of Agriculture upon the basis of the record found that the respondents' schedule of rates and charges under investigation contained rates and charges which were unreasonable and unjustly discriminatory. At the same time he prescribed as reasonable and nondiscriminatory, rates not in excess of those set out in the order of June 14, 1933. Suits were filed in the United States District Court for the Western District of Missouri by certain of the respondents attacking the validity of the rate order of the Secretary and asking an injunction against its enforcement. The two respondent cooperative market agencies did not file suit, but put into effect the schedule of rates prescribed in the order of the Secretary. The Court granted a temporary restraining order, in which it directed that the market agencies should impound with the Court moneys collected in excess of those producible under the rates and charges prescribed by the Secretary in his order.

15–b. On October 29, 1934, the District Court rendered its opinion and entered its Findings of Fact and Conclusions of Law, in which it upheld the order of the Secretary, rejected all the contentions of the complainants, and adopted as its own the Findings of Fact made by the Secretary. The complainants appealed the case to the Supreme Court of the United States, which, on April 25, 1938, held that the

Secretary's order was defective because the market agencies were not fairly advised of what the Government proposed to do and were not given opportunity to be heard upon the Government's proposals. The court did not pass upon the merits of the case. In the light of this situation the Secretary of Agriculture, on the 2nd day of June 1938, reopened this proceeding and ordered that the Proceedings, Findings of Fact, Conclusions and Order as issued by him on June 14, 1933, be served upon the respondents as a tentative Findings of Fact, Conclusion and Order of the Secretary in this proceeding, and for the further purpose "of taking such additional relative and material evidence as the parties in this proceeding may desire to offer with respect to conditions subsequent to June 14, 1933." He further ordered "that before the taking of such evidence the examiner shall hear the parties with respect to the exceptions filed by them to the tentative findings of fact served in accordance with the order of the Secretary of June 2, 1938" (see order of Aug. 26, 1938). The respondents were given thirty (30) days within which to file exceptions to the tentative Findings of Fact, Conclusions and Order and within which to make appropriate motions or objections with respect to the reopened proceeding. Through their attorneys, Frederick H. Wood, Esquire, and John B. Gage, Esquire, the Burlington Livestock Commission Company, Cassidy Southwestern Commission Company, Crider Brothers Commission Company, Warren Cummings, doing business as Warren Cummings Livestock Commission Company, Charles Dixon Commission Company, Ehrke-Martin Livestock Commission Company, E. W. Elliott and R. K. Swain, a partnership doing business as Elliott, Swain

& Company, Farrar, Davis & Campbell Livestock Commission Company, W. G. Gladish, doing business as Gladish Livestock Commission Company; O. C. Haggart, John H. Wilson, and Glen Haggart, a partnership doing business as Haggart, Wilson Livestock Commission Company; Inman-Hutton Livestock Commission Company; W. C. Kile, doing business as W. C. Kile Livestock Commission Company; R. H. Lewis, doing business as Lewis Livestock Commission Company; William M. Liggett, doing business as Kansas City Livestock Commission Company; National Livestock Commission Company; John M. Nichols, doing business as John M. Nichols Livestock Commission Company; Bryant Poole, D. L. Dempsey, and James Rutherford, a partnership doing business as Poole-Dempsey-Rutherford Livestock Commission Company; Ryan-Robinson Livestock Commission Company; The Stagner, Pieronnet & Willis Livestock Commission Company; Swift & Henry Livestock Commission Company; C. A. Stuart, doing business as Stuart-Robinson Livestock Commission Company; K. Knop, Henry F. Thies, E. J. Thies, F. W. Thies, and A. C. Thies, a partnership doing business as H. Thies & Sons; Wilson, Egan & Company; Witherspoon Livestock Commission Company; Ralph W. Wright and Wm. N. Baucus, partners doing business as Wright and Baucus Livestock Commission Company; John Clay, F. H. Connor, Alan F. Wilson and Chas. G. Smith, partners doing business as John Clay and Company; L. E. Tice, doing business as Knight & Tice Sheep Commission Company; J. M. Laird and G. T. Laird, partners doing business as Laird Bros. Livestock Commission Company; Charles F. Vieregg and Robert H. Stover, partners doing business as W. M. Leitch Sheep Commission Company; Martin

Blomquist & Lee Commission Company; Grover C. Maxwell and Ben. J. Furnish, partners doing business as Maxwell and Furnish Livestock Commission Company; H. M. Baker, W. C. Bradshaw, Barney Metz, and Louise McGrew Moffett, a partnership doing business as the Moffett Livestock Commission Company; and R. W. Wester and Joseph P. Smith, partners doing business as Wester Bros. & Smith Commission Company, filed general exceptions and one hundred and one (101) specific exceptions to the tentative Findings. Later the same attorneys, representing the above-named respondents, filed additional objections to the procedure and rulings of the Examiner in the former proceedings. On August 13, 1938, the New Amsterdam Casualty Company, through its attorneys, Morrison, Nugent, Berger, Byers, and Johns, filed a motion urging that the tentative order of the Secretary of Agriculture dated June 2, 1938, be dismissed, quashed, and vacated on the ground that Harry J. Kennaley, a respondent, formerly doing business as Harry Kennaley Commission Company, had assigned and transferred to the New Amsterdam Casualty Company of Baltimore, Maryland, all his rights growing out of the litigation relative to the order of the Secretary of June 14, 1933.

15–c. On August 26, 1938, the Secretary of Agriculture denied the motions to vacate the "Order Reopening Proceeding." On the same date he designated an Examiner for the purpose of allowing all parties opportunity to submit the evidence referred to in Paragraph 15–b and for the purpose of hearing the respondents with respect to exceptions filed by them to the tentative Findings of Fact served in accordance with the order of the Secretary of June 2, 1938. He directed the Examiner to prepare and

submit to the parties a report based upon the entire record. The hearing was begun in Washington, D. C., on September 12, 1938. The Examiner took testimony and heard argument with respect to the rulings of the Examiner made during the previous hearing. He also heard argument on the exceptions filed by certain respondents named by their attorney, John B. Gage, Esquire, to the order of the Secretary issued June 2, 1938. On October 3, 1938, the hearing reconvened in Kansas City, Missouri, for the purpose of giving those of the respondents not represented by counsel an opportunity of being heard. None of the respondents not represented by counsel entered an appearance. The hearing before the Examiner adjourned on October 3, 1938.

15-d. On October 31, 1938, the Examiner notified all parties that government counsel had informed him that government counsel did not desire an opportunity to introduce further evidence in the case. On this date the Examiner closed the case and notified all parties of his action in so doing. At the same time he asked counsel to collaborate in preparing proposed findings, conclusions, and order. Each counsel was given 21 days within which to submit his recommendations. On November 4, 1938, the time for filing was extended to December 12, 1938. At the request of counsel for the respondents the date was further extended to December 20, 1938. Later an extension was made to December 27, 1938. On this date counsel for the Government filed a proposed findings of fact and proposed order with the Examiner. At the same time counsel for the respondents filed a memorandum supplementary to the proposed findings, conclusions, and order incorporated in the brief filed with the Examiner at the

hearing begun in Washington, D. C., on September 12, 1938.

15–e. In the first hearing 85 witnesses were examined, 6,722 pages of testimony were taken, and 140 exhibits were introduced. In the second hearing 45 witnesses were examined, 3,091 pages of testimony were taken, and 187 exhibits were introduced. In the third hearing 6 witnesses were examined, 831 pages of testimony were taken, and 50 exhibits were introduced. At the outset of the third hearing counsel for those respondents represented by counsel and heretofore named moved to strike from the record the Tentative Findings of Fact, Conclusions, and Order on the ground (1) that the record and evidence upon which the tentative order is based was stale; (2) because the findings, conclusions and order were not made in accordance with the rules of practice promulgated by the Secretary of Agriculture; (3) because counsel for the respondents claimed that the findings were condemned by two judges who sat in the three judge court (3T 15). Counsel for the Government objected to the introduction of any evidence relating to conditions subsequent to June 14, 1933, on the ground that facts and conditions subsequent to that date were immaterial to any issues in the proceedings (3T 500). Consideration has been given to the entire record in this proceeding. The facts of record showing the conditions prior to June 14, 1933, and the facts subsequent to that date have been analyzed and weighed.

Findings of Fact

Upon careful consideration of the entire record in this proceeding, the following findings of fact and conclusions are made:

I. THE KANSAS CITY LIVESTOCK MARKET

16. The Kansas City Stock Yards Company maintains and operates a stockyard at Kansas City, Mo., at which a public market is conducted. This market was established in 1871 and has grown in importance as the production of livestock has expanded and improved in the territory tributary to Kansas City, until it has become one of the leading livestock markets in the United States. A stockyard is a place where producers and others ship their livestock by rail, or by truck, or drive them in on foot, to be offered for sale to the various classes of buyers who resort there to buy those grades and classes of livestock which meet their requirements. The stockyard at Kansas City, Mo., which is operated by the Kansas City Stock Yards Company, has been ascertained by the Secretary of Agriculture to be a "stockyard" as defined in Title III of the Packers and Stockyards Act and notice thereof has been given to the owners and to the public as required by the Act.

17. The geographical location of the Kansas City market makes it a gateway through which much of the livestock produced in the West and Southwest passes on its way to the feed lots in the Central West and the consuming centers in the East. Considerable numbers of hogs and sheep are sold at the Kansas City market, but it is primarily a cattle market. It is the largest stocker and feeder cattle market in the world.

II. ORIGIN OF RECEIPTS OF LIVESTOCK

18. The points of origin of receipts of cattle at the Kansas City market lie principally in the States of Kansas, Nebraska, Colorado, Arizona, New Mexico, Texas, Oklahoma, Arkansas, Missouri, and

Idaho. The territory in which the drawing power of the Kansas City market is distinctly greater than that of its principal competing central markets is made up of the State of Kansas, the most southerly tier of counties in Nebraska, the counties of southeastern Colorado, those of the eastern half of New Mexico, those of the northern portion of Texas, the State of Oklahoma, the counties of western Arkansas, and those of the most westerly portions of Missouri. The hogs arriving at the Kansas City market originate in a more restricted area than do the cattle and sheep. The hog territory may be defined generally as the State of Kansas, south central Nebraska, northern Texas, eastern Oklahoma, western Arkansas, and the counties located in the western third of Missouri. The sheep arriving at the Kansas City market originate in a wide area, embracing the States of Kansas, Colorado, New Mexico, Arizona, Texas, Oklahoma, Missouri, and to some extent the far western and northwestern States.

19. Ordinarily, livestock tends to move from the producer to the consumer by that route which is most economical. The trade territory of a market is determined largely by those factors which make it the most economical center to, through, and from which to move the livestock. One of the chief factors delimiting the trade territory of a market is the rate structure of the railroad transportation system which serves it. Generally speaking there is a normal trade territory for a livestock market, and this is true of the Kansas City market. Within this trade territory the Kansas City market comes into competition to a varying extent with other markets for the livestock in the counties and States from which it receives its livestock.

20. The following table gives by species the total number of livestock marketed from the seven States of Kansas, Texas, Oklahoma, Missouri, Nebraska, Colorado, and New Mexico at Kansas City and four of its principal competing central markets, and the percentage of the total marketed at each:

CATTLE

Year	Number marketed at 5 markets	Percent marketed at Kansas City	Percent marketed at Chicago	Percent marketed at National Stockyards	Percent marketed at Omaha	Percent marketed at St. Joseph
1920	4,864,862	49.5	3.0	14.5	21.4	11.6
1921	4,899,076	49.9	4.3	14.8	20.6	10.4
1922	5,808,333	50.4	3.7	13.9	21.4	10.6
1923	6,170,478	51.2	3.9	14.3	19.9	10.7
1924	6,202,311	48.4	5.0	14.3	21.3	11.0
1925	5,954,228	49.1	4.5	14.5	20.3	11.6
1926	5,778,123	44.7	5.2	16.2	22.6	11.0
1927	4,990,556	46.6	4.8	18.6	19.8	10.2
1928	4,841,510	44.9	5.7	15.5	22.3	11.6
1929	4,834,490	44.4	5.7	15.8	22.6	11.5
1930	4,888,804	44.0	4.9	16.3	23.9	10.9
1931	4,774,019	40.7	6.7	16.8	25.7	10.1

HOGS

1920	7,030,618	32.1	0.8	18.9	27.4	20.8
1921	7,253,311	28.6	1.0	22.3	27.9	20.2
1922	8,413,567	28.8	1.6	23.0	26.3	20.3
1923	10,843,476	30.3	1.2	24.0	26.0	18.5
1924	10,400,432	26.3	.9	24.6	29.9	18.9
1925	7,868,149	24.6	.9	24.1	32.2	18.2
1926	6,980,344	27.6	.7	25.8	28.2	17.7
1927	5,897,608	26.4	1.8	32.5	25.1	14.2
1928	8,362,044	28.1	1.1	24.8	27.6	18.4
1929	8,726,396	27.8	1.1	26.3	28.0	16.8
1930	7,995,230	24.9	.8	25.6	32.1	16.6
1931	6,652,778	19.4	.8	23.1	39.0	17.7

SHEEP

1920	3,060,016	47.9	14.7	12.3	7.6	17.5
1921	3,715,856	42.3	22.1	12.2	7.1	16.3
1922	3,327,947	43.6	20.7	13.4	6.7	15.6
1923	3,743,307	38.7	21.8	10.3	11.1	18.1
1924	3,454,973	41.5	17.6	9.6	9.2	22.1
1925	3,355,277	40.0	15.3	10.4	11.2	23.1
1926	3,670,427	43.2	14.6	11.2	9.6	21.7
1927	3,088,609	43.0	16.6	11.1	8.1	21.2
1928	3,736,678	42.6	10.2	8.2	10.8	28.2
1929	3,729,764	42.7	8.2	9.2	11.0	28.9
1930	4,301,877	42.8	11.2	8.7	12.6	24.7
1931	4,540,010	45.8	11.8	10.1	9.6	22.7

20–a. The record does not show for any year subsequent to 1931 a comparison of receipts at the Kansas City market with those at its principal competitors, from the seven states enumerated in Paragraph 20. It does show, however, the total receipts of the thirty-eight firms in business in 1931 and still in business in 1937. The total receipts by species of these thirty-eight firms for the years 1931 and 1937 are as follows:

	1931	1937
Cattle and calves	2,031,482	1,854,958
Hogs	790,692	363,568
Sheep	1,516,024	1,170,381

(See Respondent's Exhibit A–14.)

21. Counsel for those of the respondents represented by counsel object to paragraph 21 of the tentative order of June 2, 1938, on the ground that the statistical information in this paragraph is stale and without probative value. The respondents not represented by counsel have made no such exception. The information contained in this paragraph of the tentative order relates to receipts by rail in the year 1927 from market zones as determined by county lines. The exception of counsel is well taken, and the figures contained in paragraph 21 of the tentative order have been given no weight in arriving at the conclusions drawn herein or the recommendations made hereinafter.

22. Paragraph 22 of the tentative order of June 2, 1938, deals with the same general subject matter as does paragraph 21 of that order. No consideration has been given to the information contained therein.

III. MANNER OF ARRIVAL OF LIVESTOCK AT MARKET

23. Presently practically all livestock handled by respondents arrives at the Kansas City stockyard either in railroad cars or motortrucks.

24. Until comparatively recent years arrivals of livestock were practically exclusively by rail. Formerly it was the custom of one owner to load one species in one or more railroad cars and consign such livestock to a market agency for sale. Under these conditions of transportation and ownership the consignment came to be thought of in terms of the straight car with single ownership and the rates were assessed in terms of cars. In those days multiple car consignments containing livestock of one species and ownership were much more common than at present, such consignments in train loads of 15 or more cars not being infrequent. With the more intensive settlement of the livestock producing territory tributary to Kansas City, with changes in transportation and marketing conditions, the custom arose not only of shipping consignments consisting of fewer cars but also of mixing species within a car and shipping in the same car livestock belonging to different owners. This brought about in the tariffs or schedules of charges rates per head of livestock to be applied to less than a carload of one species.

25. Not all of the cars used by the 13 railroads serving the Kansas City market are of the same length or same weight capacity. Some of the roads use 36-foot cars, others 40-foot cars. The custom has grown up on the part of those railroads using mainly 36-foot cars of furnishing two such cars when a 40-foot car is ordered by a shipper, and billing the two cars as one. The respondent market agencies assess their charges according to the billing. Some of the roads, in order to meet truck competition, have reduced the minimum weight allowable and have reduced their carload rates accordingly.

26. With the development of the motortruck and the construction of hard-surfaced and other improved roads leading from the producing areas to Kansas City, there came another change in the manner of arrival of livestock at the market, namely, the gradual decrease in the percentage thereof arriving by rail and a corresponding increase in that coming in by truck. The record shows these percentages for each year from 1922 to 1937. It will be observed from the following table that in 1922 only .95 percent of cattle, 5.58 percent of calves, 5.49 percent of hogs, and 7.11 percent of sheep arrived by truck, while in 1931 the corresponding percentages were cattle 11.15 percent, calves 35.16 percent, hogs 51.55 percent, and sheep 13.39 percent.

The percentages below stated are calculated from the total receipts of live stock by rail and by truck, respectively, as compiled by the Kansas City Stock Yards Company. Those totals contain livestock such as that stopped at Kansas City for feed, water and rest, and that shipped direct to packers through the Kansas City stockyard, neither of which classes is handled by any of the respondents. The record shows the arrivals by rail and by truck, respectively, of the livestock handled by respondents for only the years 1929 and 1931. The following table shows the percentages arriving by rail and by truck, respectively, of the total fresh revenue producing receipts of livestock handled by respondents. By "total fresh revenue-producing receipts" is meant the total livestock on which respondents received commissions, exclusive of livestock bought, livestock handled for dealers, and livestock handled for other market agencies.

Year	Cattle		Calves	
	Rail (percent of total)	Truck (percent of total)	Rail (percent of total)	Truck (percent of total)
1931	88.85	11.15	64.84	35.16
1930	92.19	7.81	72.99	27.01
1929	94.59	5.41	78.21	21.79
1928	96.62	3.38	82.40	17.60
1927	97.64	2.36	84.88	15.12
1926	98.16	1.84	86.34	13.66
1925	98.56	1.44	90.34	9.66
1924	98.93	1.07	92.84	7.16
1923	99.09	.91	93.65	6.35
1922	99.35	.65	94.42	5.58

Year	Hogs		Sheep	
1931	48.45	51.55	86.61	13.39
1930	60.78	39.22	88.83	11.17
1929	71.37	28.63	89.71	10.29
1928	78.00	22.00	91.99	8.01
1927	83.92	16.08	91.74	8.26
1926	88.45	11.55	93.78	6.22
1925	91.13	8.87	94.46	5.54
1924	93.28	6.72	94.74	5.26
1923	95.42	4.58	94.13	5.87
1922	94.51	5.49	92.89	7.11

Year	Cattle		Calves	
	Rail (percent of total)	Truck (percent of total)	Rail (percent of total)	Truck (percent of total)
1929	94.21	5.79	74.71	25.29
1931	88.43	11.57	58.21	41.79

Year	Hogs		Sheep	
1929	67.25	32.75	90.77	9.23
1931	38.49	61.51	86.60	13.40

27. Comparison of the above percentages for the years 1929 and 1931 with those contained in the next preceding table indicates that a greater proportion of the livestock handled by respondents arrives by motortruck than is true of the total live-

stock which passes through the stockyard. Respondents' tariffs have contained for many years per head rates for selling livestock trucked or driven in to the stockyard. Quite uniformly these rates have exceeded those charged per head for livestock arriving by other modes of transportation.

27–a. The following table shows the ratio on a percentage basis of rail receipts to total receipts and truck receipts to total receipts of cattle, calves, hogs, and sheep for the years 1932 to 1937, inclusive. The figures in this table are comparable to those set forth at the beginning of paragraph 26.

Year	Cattle		Calves	
	Rail (percent of total)	Truck (percent of total)	Rail (percent of total)	Truck (percent of total)
1932	81.28	18.72	61.54	38.46
1933	70.11	29.89	53.57	46.43
1934	75.92	24.08	68.08	31.92
1935	67.65	32.35	47.10	52.90
1936	62.96	37.04	43.57	56.43
1937	72.37	27.63	56.01	43.99
	Hogs		Sheep	
1932	37.40	62.60	82.60	17.40
1933	30.82	69.18	79.55	20.45
1934	25.71	74.29	80.00	22.00
1935	21.41	78.59	77.50	22.50
1936	26.58	73.42	73.95	26.05
1937	10.47	89.53	79.23	20.77

See Respondents' Exhibit A–1; pp. 25, 26, 27, 28.

28. Not only changing modes of arrival but other factors, such as market demand and the customs of buyers, have caused the number of animals per consignment and per draft to decrease. In other words, increasingly respondents' business has taken on more of the aspects of the retail handling of a com-

modity. These changes have brought with them increasing costs per head of livestock handled, but such costs are included in those hereinafter stated in detail.

29. The foregoing developments caused the great majority of the respondents to reach the conclusion that tariff structures, which had had their inception in the days of the exclusive carload business and which, in spite of some modifications, were still based on the carload as the unit, had ceased to fit the business which respondents were doing. Accordingly, between the time of the first and the second hearing in this proceeding, these respondents filed their Tariff No. 3 which, to a considerable extent, discards the carload as the unit of charge and bases its rates on the head of livestock of each particular species regardless of the mode by which such livestock arrived at the pens of the respective respondents.

29-a. The schedule of rates hereinafter prescribed as reasonable and non-discriminatory gives recognition to the changing method of arrival of livestock. The schedule, based as it is upon a charge varying with the number of head of a species in a consignment, automatically produces an increasing per head revenue as the number of head in a consignment decreases.

IV. THE FACILITIES OF THE MARKET PLACE

30. The Kansas City Stock Yards is located in Missouri and Kansas, in that part of the central industrial district of Kansas City known as the "West Bottoms." The yard is divided into three sections. The west yard lies on the west side of Kansas River and was formerly used as a quarantine yard. The main yard lies on the east side of

the Kansas River and includes the cattle, hog, sheep, and horse and mule divisions, in addition to the exchange and show buildings. The north yard lies north of the main yard and is connected with it by an underpass beneath the Union Pacific and Missouri Pacific railroad tracks. With rare exceptions, the buying and selling of livestock are carried on in the main yard.

31. The Kansas City market is served by 13 trunk line railroads and by the Kansas City Connecting Railroad, which owns rights-of-way, tracks, and loading and unloading docks and chutes, thus affording adequate transportation facilities in connection with the loading and unloading, receiving and delivering of livestock at the stockyard. It is the terminal carrier which forms the connection between the stockyard and all railroads entering Kansas City.

32. The main yard is generally triangular in shape, the base of the triangle being at the north end of the yard. There are five railroad docks on the west side of the main yard, extending in a north and south direction. Three of these docks lie between the river and the hog house, and two lie between the hog house and the cattle division. These five docks have approximately 500 unloading chutes.

33. The hog house is a three-story structure, rectangular in shape, extending in a north and south direction between the two sets of railroad docks. The respondent commission firms use the pens on the second floor of the hog house for selling hogs. The ground floor is used for holding cattle which are not delivered to the respondent firms immediately upon arrival, and for holding livestock which is to be shipped out of the yard. Those respondents who are engaged solely in the business of buying hogs on

order use a part of the third floor of the hog house for sorting and preparing livestock for shipment. The remainder of the third floor is used for holding livestock to be delivered to packers, and a part of the roof of the hog house is covered with pens and used for the same purpose. The unloading docks and receiving pens for hogs arriving by truck are located in the north yard. Hogs unloaded there must be driven through the underpass which connects with the main yard at the north end of the hog house.

34. The cattle division lies between railroad dock No. 5 and the public thoroughfare which bounds the yard on the east. This division is not under roof and is on the ground floor. However, the scales are on viaducts, with the exception of two cattle scales which are on the surface in the traders' division. The pens and alleys in the north and, to some extent, the west part of this division are used by traders who buy and sell the different classes of cattle and calves. The commission division of the cattle yard is rectangular in shape, extending in a north and south direction, adjoining part of dock No. 5 and part of the traders' division on the west. The respondent firms have pens assigned to them in this division, in which cattle and calves are exposed for sale. There are unloading docks and receiving pens at the north end of the main yard where cattle and calves are received from trucks and later driven to the commission division.

35. The sheep barns are located in the southern part of the main yard. There are three of these barns, each being a one-story structure. The unloading docks for drive-in sheep, and the sheep-dipping vat are located in this division.

36. The plant and pens used in connection with the immunization of hogs are situated in the southwest corner of the cattle division. The dipping vat and branding chutes for cattle and calves are located in the north yard. There is also a stock hog division in the north yard where stock hogs may be handled without the necessity of dipping and immunizing, if they are not brought into the main yard. This division is for the purpose of encouraging the movement of stocker and feeder hogs through the public market. If such hogs are taken to the main yard to be sold or weighed, they must be dipped and immunized in accordance with State and Federal regulations.

37. The Kansas City Stock Yards Co. owns an office building, commonly called the Exchange Building, which is located midway on the east side of the cattle commission division. In addition to housing its own offices in this building, the company leases office space to respondents and others having business at the market. Opposite the Exchange Building and on the west side of this division is the train office building where the records of incoming and outgoing shipments are made. It is a sort of clearing house for the detailed information relative to the movement of livestock to and from the market.

38. Livestock arriving at the Kansas City market by rail is unloaded by employees of the stockyard company, which acts as agent for the carriers, who pay the company for this service. The loading and unloading facilities of the Kansas City Connecting Railroad are connected with an extensive system of viaducts, alleys, stock drives, subways, and bridges, which afford adequate facilities for receiving

and distributing livestock to all parts of the stockyard.

39. In each division of the yard adequate scale facilities are provided by the stockyard company. There are three scales in the sheep division, one of which is designed for weighing truck consignments. There are 14 scales in the cattle commission division. These scales, the sorting and catch pens, and alleys used in connection therewith, are elevated above the pens and alleys on the ground level. They are reached by inclines and viaducts. These scales are arranged in pairs, one scale in each pair being called the "high line" scale and used for weighing drafts of 10 head or more, and the other the "jack pot" scale and used for weighing small drafts. At the west side of the cattle yard there is a small scale maintained for the purpose of weighing crippled hogs. There are five scales maintained in the hog commission division on the second floor of the hog house.

40. Upon the arrival of livestock by rail at the stockyard a waybill, representing each carload, is delivered by an employee of the railroad company to employees of the stockyard company. Information as to the dock number, the time at which the train is set, names of consignor and consignee, the state of origin, car number, and class of livestock in the consignment is taken from the waybill and placed on the bulletin board by the stockyard company. These bulletins are hung in the lobby of the train office building, where they are consulted from time to time by representatives of the respondent firms for the purposes of ascertaining what livestock may have arrived consigned to them. After livestock is unloaded at the yard, the dock foreman, a stockyard

employee, places a copy of the record of each car in a designated place in the chute alley, and representatives of commission firms consult these records to determine the location of livestock consigned to their respective firms.

41. Cattle and hogs arriving by rail are delivered to the respondent firms by the stockyard company at the unloading chutes. If their representatives are not at the unloading chutes to take delivery before the chute pens are needed for unloading other livestock, the stockyard company yards the livestock in convenient pens near by. Under such circumstances the hogs are usually taken to the pens on the second floor of the hog house, and cattle are yarded in pens on the ground floor of the hog house. The representatives of the respondents then call for the livestock at these divisions. Sheep arriving by rail are delivered to the respondents' pens in the sheep barns by the stockyard company. In the case of cattle and hogs arriving by truck, the respondents are required to drive the livestock to their own pens from the truck unloading chutes or near by pens. Sheep arriving by truck are unloaded at a convenient place in the sheep division and are driven to the sale pens by the stockyard company.

42. The stockyard company tags all animals arriving crippled or dead, in order that they may be properly identified. There is an arrangement whereby a rendering company gathers up the dead animals and removes them to its plant, remittance therefor being made to the commission firms by the rendering company. Crippled hogs are gathered up by the stockyard company and delivered to a "crip" scale, where they are weighed and are then removed by the packers who purchase them. There are two associa-

tions which engage in the business of handling crippled cattle and sheep from the yards direct to the packing plants. Such crippled livestock is purchased on a salvage basis, and remittance is made to the commission firms to which the livestock is consigned. These associations make a special charge for this hauling service. This charge is deducted from the proceeds of the sale of the animals.

43. The stockyard company furnishes all the feed fed in the yards. It delivers the feed to the commission men's pens and feeds the livestock. Water and facilities for watering in each pen are also provided by the stockyard company. Employees of the respondent commission firms turn the water on. It frequently happens that the stockyard company will turn the water off. The stockyard company cleans the pens and maintains tractors, trailers, and other necessary facilities for removing debris. In seasons of bad weather, or on other occasions, the respondent firms may clean their own pens. Such cleaning consists in throwing the manure to one side of the pen or under the troughs. The employees of the stockyard company remove it later.

44. The stockyard company maintains weighmasters who operate the various scales and issue scale tickets containing information relative to each draft weighed. It also provides a man who assists in putting the livestock on the scales to be weighed, and a suitable force of employees to receive and yard the livestock when it is driven off the scales.

45. For its services and use of its facilities heretofore described the stockyard company makes a yardage charge on a per head basis and a separate charge for feeding. Respondents deduct these charges from the gross proceeds of sale of the livestock and pay

them to the stockyard company. Separate charges are made by the stockyard company for services and use of facilities in connection with the branding, dipping, testing, immunization, or other special services. Usually these special services are required in connection with the movement of livestock from the market back to the country, and the charges therefor are paid by the purchasers. If for any reason any of these services should be required by the shipper of livestock to market, the charges would be deducted from the proceeds of the sale of his livestock.

46. After livestock has been sold and weighed, it is yarded and held in pens by the stockyard company for delivery to the purchaser, or until it can be loaded, if it is to be shipped to points outside the market. If the livestock is to be shipped, the employees of the stockyard company load it on the cars. This service is rendered by the stockyard company as agent for the carrier, and a separate charge is paid by the carrier.

47. The Kansas City Stock Yards Co. endeavors through advertising and soliciting to induce shippers to consign their livestock to market for sale, and to attract buyers for such livestock. It maintains a force of employees in the country who make contacts with producers and growers of livestock. These men have knowledge of market conditions and the various grades and classes of livestock. The stockyard company maintains an information bureau which keeps in touch with the field representatives and gives them current market information. They assist farmers and producers in sorting and grading their livestock, disseminate useful market information, and endeavor to obtain shipments for the Kansas City market.

They do not attempt to influence the shipment of livestock to any particular commission firm.

48. A branch of the United States Department of Agriculture maintains an office at the stockyard, which is a service organization having for its purpose the collection and dissemination of market information. This office maintains a bulletin board in the Exchange Building on which it posts information in regard to the estimated receipts at Kansas City, and other leading livestock markets of the country, the prices and trend of prices at the various markets, and the prices of dressed meats in Philadelphia, Boston, and New York. Facts as to local market conditions are obtained by employees of that office, who are regularly assigned to different divisions of the yard for the purpose of making contacts with salesmen and buyers. A system of leased wires is maintained whereby similar facts are readily obtained from other markets. In addition to posting information from time to time on the bulletin board throughout the day, this office disseminates it by radio at three different periods, furnishes it to the telegraph companies and to the press associations, and publishes a mimeographed report, which circulates extensively among producers and others in Kansas, Missouri, and, to a certain extent, in other states. The informational service of this office is available to all who request it.

V. DISPOSITION OF LIVESTOCK RECEIPTS

49. Livestock received at the Kansas City market falls into two general classes: (1) stockers and feeders, and (2) killers or butcher livestock. The demand for the stockers and feeders comes principally from those producers who are equipped to feed and finish

livestock, either in feed lots or on pasture lands. The livestock ready for slaughter is purchased by local packers and butchers and by packers located at distant points. The chief outlet for this class of livestock is the local packer demand. Contiguous to the market are located the plants of the four large packers, Swift, Cudahy, Wilson, and Armour. There are also small packers and local butchers who cater principally to the local demand for dressed meats and meat products. The outside packers usually make their purchases through order buyers, who are regularly engaged in that business at the market. Local packers and butchers are customarily represented on the market by salaried employees. Feeders and finishers generally purchase livestock through commission firms, although they sometimes make their own purchases. There are also dealers at the market who buy for the purpose of reselling at a profit, either on the Kansas City or some other market, without slaughtering, and also without feeding such livestock to any great extent. Although dealers operate to some extent in connection with the handling of all classes of livestock, their principal activity at the Kansas City market is in buying and selling stocker and feeder cattle. Their function is primarily that of buying unsorted lots and small lots of cattle, which they later sort into different grades and classes to meet the requirements of the feeders and finishers.

50. The demand for livestock in Kansas City, and especially that for hogs, is greater than that supplied by the livestock arriving at the public market. Large numbers of hogs destined for local slaughter in Kansas City do not pass through the stockyard.

Large purchases of hogs are made by packers for slaughter in Kansas City at their plants at private stockyards operated by such packers where sales are consummated without the payment of any market expense but by and with the aid of and upon the basis of market prices as currently determined on the date of purchase at the Kansas City Stockyards. The effect of this increasing practice on the part of local packers diminishes the volume of hogs offered for sale at the Kansas City Stockyards and handled by the respondents.

VI. BUSINESS IN WHICH RESPONDENTS ARE ENGAGED

51. In the early development of the West drovers were accustomed to bring their livestock to a convenient point at the junction of the Kansas and the Missouri rivers and there sell it. With the development of trading in livestock at this central point there grew up a more firmly established and permanent market place. Some of those who resorted there sold not only the livestock which belonged to them but undertook the selling of that belonging to others. Later resident selling agencies were developed which devoted their attention exclusively to the handling of livestock for others at the central market. While it is the privilege of the owner or shipper of livestock to the Kansas City public market to sell his own livestock, the complicated machinery of the market place, which the selling agencies and the stockyard company have worked out for their own convenience, make it a practical necessity for the producer to consign his livestock to some regular selling agency for sale. A like situation prevails with respect to many who seek to buy livestock on the market. They may neither be able to come to

the market in person nor find it to their advantage to maintain employed buyers. A demand has developed, therefore, for the services of those who stand ready to act as representatives of the buyers on the market. There have come into existence two somewhat distinct classes of operators. The first consists of what is commonly known as commission firms. They hold themselves out to the public both to sell and to buy livestock on a commission basis. Generally speaking, the buying operations of commission firms constitute a small part of their total business. The second class is made of that group of respondents commonly known as order buyers. They specialize in buying livestock on order and do no selling on a commission basis.

52. The nature of the business in which the respondents are engaged is such that it may be carried on under different types of organization. Among the respondent firms there are individual proprietorships, partnerships, and corporations. One of the respondent firms is operated as the branch house of a firm maintaining its principal headquarters at another market. Two of the respondents are organizations of producers engaged in operating on a cooperative plan. These return their profits, or a portion of them, if any, to the members on a patronage basis. Four of the respondent firms are registered to handle sheep only. All others engaged in selling and buying livestock hold themselves out to the public to handle cattle, calves, hogs, and sheep. Some order buyers specialize in the handling of one species of livestock and others handle all species.

VII. SERVICE RENDERED BY THE RESPONDENTS

53. The livestock commission business carried on by the respondents is conducted on the premises of

the stockyard company. The physical handling and caring for the animals and their selling and weighing, take place in pens belonging to the stockyard company and assigned by it to the various respondents. The office work growing out of the sale of the animals and the accounting to the owner for the proceeds of sale is carried on in the Exchange Building also owned by the stockyard company. The respondents do not pay for the use of the pens but pay rent for the office space which they occupy in the Exchange Building. The rendition of the services of selling and buying livestock makes it necessary for the respondents to employ assistants in the yard and in the office. There is a wide variation among the firms as to the character of their organization and in the extent to which work can be specialized. A relatively small volume of business does not permit of that degree of specialization which is possible in the case of a firm which receives a large volume of business. Most of the larger firms have a separate department for each species of livestock handled and usually place a head salesman in charge of each department. In some instances divisions exist within a department as, for instance, in the case of those firms which handle a large volume of business. Such firms may have a fat steer division, a stocker and feeder division, a butcher cattle division, and a calf division. On the buying side of the market each buyer is generally looking for a specialized grade or class of livestock. Those packers who are represented by salaried buyers have special buyers for the different grades and classes of cattle. Specialization has not been carried to the extent in the case of hogs and sheep that it has in the case of cattle. Order buyers are usually in the market for distinct

grades and classes of livestock. Dealers generally do not specialize to any great extent. Their market function is to buy mixed grades and classes of livestock and then to sort them in accordance with the needs of the trade. In some cases the owner, or owners, of a small firm do much of the yarding and office work in addition to the selling of the livestock.

54. The situation with respect to specialization among salesmen applies in general to the yarding and office work. The large firms divide their help into divisions in the cattle alleys and place each division in charge of a head yardman. In the larger firms the various office employees are frequently assigned to special tasks or departments under the supervision of an office manager. As a general rule the yard work is heaviest in the early part of the day and the office work heaviest in the latter part of it. Because of this, some of the office employees may assist in the yard work in the forenoon and some of the regular yard employees may help in the office in the afternoon. The organizations are flexible and permit a high degree of cooperation among the employees of a firm.

55. Some of the respondent firms do not have sufficient livestock of certain species to warrant the maintenance of a selling organization. Many firms, for instance, do not have sheep salesmen. These firms engage the salesmen of some other firm. This arrangement concentrates the selling and yarding of sheep in the hands of a comparatively few firms, and thus makes possible a high degree of efficiency. A firm which does not elect to sell the sheep consigned to it assesses the regular commission charge against the consignor and with a part of this revenue pays someone else for selling the sheep. Each firm handles all

the office and accounting work growing out of the sale of sheep consigned to it. An arrangement similar to that described for the handling of sheep is sometimes entered into with respect to hogs and cattle, but in the case of the latter species the arrangement is less frequent than in the case of sheep. A few firms do not maintain their own office force but engage other respondent firms to do their office work for them.

56. Most of the livestock received for sale at the Kansas City market arrives during the early morning hours. It is important that the livestock be handled expeditiously in order that it may be watered, fed, and sorted in time for the market. The bulletins prepared by the stockyard company with respect to the arrivals of livestock are hung in the train office building, and there respondents' employees go to obtain information as to arrivals. Frequently they obtain additional information in regard to consignments from letters, telephone calls, and personal contact with shippers. As soon as the information is obtained, the representative of the commission firm goes to the designated place near the track where the livestock is unloaded and obtains a chute slip showing the car number and the number of chute in which the stockyard company has placed the livestock.

57. Rail arrivals of sheep are driven from the unloading chutes to the pens of respondent market agencies, and formal delivery is made there. Cattle and hogs arriving by rail are delivered to the respondents at unloading chutes or nearby pens. After the representative of the commission firm has ascertained the pen in which the livestock has been placed, he goes to the representative of the stockyard company who is in charge of the particular division, and requests delivery. This representative of the

commission firm is usually called a "train runner." The livestock is counted out of the pen into the alley, and a train runner then goes ahead of it, leading the way to the pens assigned to his firm. In the case of cattle and calves delivered at the unloading chutes, the stockyard company furnishes a man to go behind each load of livestock. During periods of heavy runs a train runner may lead a procession containing a number of carloads, each kept separate from the other by a stockyard employee. Such assistance is not furnished by the stockyard company in the case of driving hogs, nor in those instances where cattle are yarded temporarily in holding pens. When livestock reaches the pens of a commission firm, it is counted into the pens, usually by the head yardsman for that firm. In the case of night arrivals during the season of heavy runs of cattle, some firms maintain a night train runner, either as an individual employee or one employed jointly with other firms.

58. Pens are assigned to the various commission firms in the different divisions of the yard. These assignments are made by a committee. The number of pens assigned to each firm is governed by the volume of business handled, and the location is governed largely by the length of time during which a firm has been in business.

59. Sheep arriving by truck are delivered at the sheep division. With respect to truck arrivals of hogs and cattle, it is necessary for the respondents to drive the livestock from the truck unloading chutes or near by holding pens to their respective pens in the regular division. This work is accomplished either through individual employees or through those who make it their business to drive livestock at a stipulated head charge. The stock-

yard company makes available information in regard to truck arrivals of livestock through notification slips placed in boxes at the respective drive-in unloading chutes.

60. In taking custody of livestock consigned to them for sale respondents' employees make such records and memoranda as will enable them to preserve the identity of each consignment. Through experience gained in handling livestock, these employees can often identify animals once they have seen them. Frequently a consignment of livestock is owned by two or more people. Such livestock is usually marked in some distinctive way in order to maintain the identity of each owner's livestock. There are also frequent shipments of branded livestock, and these brands serve as a basis for identifying ownership.

61. Occasionally some of the livestock contained in a consignment is intended for a market agency other than the one to which it is billed. Such livestock is placed in a separate pen. The receiving agency then notifies the firm to which the livestock is to be delivered, and that firm removes the animals to its pens.

62. Traders who buy and sell in the yard for profit sometimes place their livestock with respondent firms to be sold. This is called planting and such livestock is referred to as "seconds." In such cases the traders usually drive their livestock to the commission firms' pens.

63. Upon receipt of livestock in its pens an employee of the commission firm, usually the head yardman, orders feed from the stockyard company, which maintains the equipment for the delivery of the feed and employees who do the feeding. The employee of the commission firm keeps the record of

the amount of feed ordered. Sometimes the head yardsman will sort and grade the livestock before feeding. As soon as it has been fed and graded, it is watered. Frequently when pens are available, a consignment of livestock will be divided into several bunches in order to enable the animals to drink with less confusion. Some of the work of preparing livestock for sale is done by the yardmen. When the salesmen arrive in the yard they may do further sorting and grading.

64. The regular market hours are from 8 a. m. to 3 p. m., but the stocker and feeder class of livestock may be bought or sold at any time. Salesmen usually go to their offices some time before the market opens and review available information, in order that they may judge the trend of the market. In many instances salesmen have seen the cattle in the country before they were shipped. Frequently the owners telephone or write to the salesmen about the shipment. Sometimes shippers will accompany their shipments and give the salesmen helpful information in regard to the livestock to be sold. Salesmen also check up on the condition of the previous day's market. They obtain similar information in regard to the other livestock markets. They ascertain the estimated receipts of livestock at the Kansas City market and other markets for that day and opening prices for the day at other markets, insofar as such information is available.

65. The salesman then goes to the yard to look over the consignments and does whatever sorting is, in his opinion, necessary. Then the market opens, the buyers go to the pens where they, in company with the salesmen, look at the livestock. According to the custom of the market only one buyer is taken

into a pen at one time. If the livestock is suitable for the buyer, an offer and a bid are made. If a sale is not consummated, the buyer goes on to some other salesman, and the livestock is shown to the next buyer. On some days the buyers are very active and go out into the yard as soon as the market opens. On other days the buyers go out late in the forenoon and are slow to buy. There are many factors, the more important of which are the activity of the consuming demand and the supply of livestock, which determine whether a market is active or dull. It is bargaining among salesmen and buyers which finally determines what the market prices for the various grades and classes will be each day. The market may be strong at one time of the day and weak at another time. It is necessary that salesmen study the forces which affect the market from hour to hour, in order to determine in their own mind the best time at which to sell their livestock. Sometimes, although not frequently, a shipper will instruct a salesman not to sell livestock under a stipulated price. However, generally speaking, the shipper leaves this matter to the judgment of his salesmen. In addition to the study of information in regard to supply and demand as factors affecting prices, a salesman must also be a judge of the factors which affect the value of livestock. In view of the fact that there is a wide margin between the prices paid for the highest quality of cattle and the lower grades of cattle, it becomes a very responsible task for a salesman to judge accurately the grades of cattle which he has to sell.

66. Once the market is made, sales are consummated rapidly; and the movement of livestock to the

scales for weighing begins. The yardmen usually drive the livestock to the scales, although the salesmen in some instances assist in this work. As soon as sales are consummated the salesman gives his yardman information in regard to the names of the owner and the buyer, and how the livestock is to be weighed, if special sorting at the scales is required by the buyer. The yardman gives the weighmaster the information as to the owner and purchaser of the livestock when the livestock is driven on the scales. The weighmaster records this information on the scale ticket. When the livestock is driven off the scale, it becomes the property of the purchaser, and the employees of the stockyard company take possession of it and yard it for the buyer. Copies of scale tickets are taken by the yardman to the salesman, either in the yard or in the office, and the salesman marks the price thereon.

67. Respondents also assume certain responsibility in connection with the determination of the credit of the buyers of livestock. They know those who are members of the clearing house and do not hesitate to sell livestock to such members. If the prospective buyer is not a member of the clearing house, it is necessary to investigate his credit. A large percentage of the purchases are made by those whose credit is already known to respondents' salesmen.

68. The price of crippled and dead animals is determined upon a salvage basis. Standing arrangements are had with the Standard Rendering Company in connection with the price paid for dead animals, and similar arrangements with packers govern the determination of the prices paid for crippled animals. In this manner the crippled and dead livestock can be

handled promptly and with the greatest convenience to all concerned.

69. In the cattle division there are many small lots of livestock to be weighed. There are frequent drafts consisting of only or or two head. This condition prevails especially in connection with the many grades and classes of butcher livestock. The larger commission firms maintain what is known as a "jack pot". man. He is one who possesses the peculiar ability to identify many different animals as to ownership and buyers. As a salesman consummates the sales of these individual head or small lots, he advises the "jack pot" man, who turns the animals into the alley. When he has accumulated a convenient number of head, he drives them to the scale where he sorts them according to ownership and purchaser. Special scales are maintained for weighing "jack pots." This procedure makes it possible to economize in time and equipment in handling this character of business.

70. Those who are engaged in the business of buying livestock undertake to inform themselves in the same way as the salesmen do. Those who buy livestock on order will make a survey of the livestock in the yard to determine the supply of those classes and grades which are suitable to their orders. After they find a good supply of the kind of livestock which they know some of their customers use in their trade, they may telegraph or telephone to their customers, give an estimate of the price, and the prospect of obtaining supplies that will meet their particular requirements. Sometimes these customers place standing orders with their buying representative at the market. Frequently customers come to the market and accompany the buyers as they go about the yard

looking for the kind and class of livestock desired. Sometimes order buyers will buy livestock when the price appears favorable and then obtain the orders later. One of the chief qualifications of a buyer is to be able to judge the killing qualities of slaughter livestock and the feeding and finishing qualities of stockers and feeders. In case the customer is a countryman or someone not known to the buyer, it is necessary to investigate his credit. Usually those who are not regularly engaged in business at the market do not pay cash or the equivalent of cash for their livestock. The order buyer must pay for the livestock promptly, and in many cases it will be several days before payment by the customer is realized.

71. If livestock is purchased to be shipped out, the buyer orders the necessary cars from the railroad company as soon as the purchase is made. Then he ascertains the number of head and the pen in which the livestock is held, and gives this information to the railroad. In case of stocker and feeder livestock which is bought to go back to the country, there are certain incidental services which may be necessary, such as branding, dipping, dehorning, and vaccination such as branding, dipping, dehorning, and vaccination. Although these services are performed by the stockyard company, the yardman for the buyer supervises such operation. When the livestock is ready for shipment, the loading out is done by the stockyard company's employees. It is customary for a yardman or someone representing the buyer to supervise this work.

72. The office work in connection with the buying and selling of livestock consists primarily in rendering accounts to shippers and purchasers and making

remittances and collections, as the case may be. Forms known as account sales are used in rendering accounts in the case of livestock sold. One of these forms is prepared covering each consignment, showing the name of purchaser or purchasers, the number of drafts, the number of head, weight, and price of each draft, gross proceeds, items of expense such as freight, feed, yardage, commissions, and other deductible items, and the net proceeds. A copy of this is sent to the owner. In case of plural ownership consignments the accounting may be handled as in the case of single ownership consignments, in which event the prorating is done at the shipping point. However, it happens frequently that a commission firm is requested to do the prorating, which consists in figuring the gross proceeds of sale of each owner's livestock, the various expenses prorated to each owner, and the net proceeds of sale of each. Sometimes a request is made for individual account sales for each owner in a plural ownership consignment. In connection with the purchase of livestock an account purchase is prepared somewhat in the same manner as an account sale, giving the details as to the transaction, including the cost and any local expenses, such as commissions. Bills for the purchase of livestock which are presented are checked before the account purchase is made out.

73. The respondent market agencies which are engaged in selling livestock have followed the practice for a number of years of remitting the proceeds of sale of livestock through the bank. Usually the shipper will designate the bank to which he desires that the proceeds of sale be sent. Respondents have available to them information with respect to the various Kansas City banks which are correspondents of the local banks throughout the Kansas City

trade territory. As soon as the net proceeds of sale have been computed, a commission firm will place an order with its bank to deposit the proceeds to the credit of the shipper at his bank. If requested, this transaction is handled by telegraph rather than by mail. A special effort is made by all market agencies to remit as promptly as possible, and the remittances are made as soon as the net proceeds of sale of each consignment can be ascertained, even though the collections from the buyers have not been made. Usually remittances of proceeds from the sale of truck-in livestock are made by firm check. In some cases such proceeds may be remitted through the bank or by cashier's check. Most of the collections are made through the clearing house. The packers, order buyers, and brokers who clear traders are members of the clearing house, and under the rules of that organization there are certain time limits within which they must remit through the clearing house for the livestock which they have purchased. Order buyers usually draw drafts upon their customers as soon as the livestock has been shipped, or they may take their customer's check. It seldom happens that a customer in placing an order will advance the cash.

74. Salesmen and members of respondent firms spend considerable time in the office interviewing shippers. This is done usually after the selling is completed. If shippers are not at the market, a salesman will write a letter to each one for whom he has sold livestock that day, giving information in regard to the transaction and such other general market information as he may deem helpful to his customer. However, this is not always done with respect to livestock received by truck.

75. There exists an arrangement between each of the respondents and the stockyard company whereby the latter, acting as agent of the carrier, will make formal delivery of livestock before freight charges on the consignment are paid. The stockyard company requires each respondent market agency to which livestock is shipped to furnish a bond covering the payment of freight, yardage, feed, and any other charges. These charges are deducted from the gross proceeds of sale of livestock before remittances are made to the shippers. The bills for these items are presented to respondents through the clearing house.

76. Each respondent furnishes a bond conditioned upon the faithful and prompt remittance of the proceeds of sale of livestock and the prompt execution of orders and the payment for livestock bought on order. Such a bond is required by the rules of the Kansas City Live Stock Exchange of its members, and such a bond is required of all market agencies under the provisions of the Packers and Stockyards Act and the regulations promulgated thereunder.

VIII. PERSONAL SERVICE CHARACTER OF RESPONDENTS' BUSINESS

77. The livestock commission business is essentially of a personal service character. The amount of capital necessary to conduct it is relatively small. The use of certain material equipment, however, such as office furniture and fixtures, and equipment of more or less elaborate character, automobiles and horses, is essential in the rendition of the service. The automobiles are used for trips to the country both to solicit shipments and to appraise livestock. They also are used for travel to near by feedyards whereat livestock may be under the control of respective

respondent firms while it is being fed and also whereat respondents sometimes consummate sales of livestock. In some instances the automobiles are owned by the respondent firm which uses them. In others they belong to a member or employee of the firm and their use is compensated for on some prearranged basis, such as actual expense or mileage. The horses are used in the cattle yards and are ridden by the cattle salesmen in the course of their handling and selling of cattle. In some instances they also are ridden by patrons who either have cattle consigned to respondents for sale or else are seeking to purchase cattle from respondents. In some instances these horses are owned by the respective respondent firms who use them. In others they are the property of the individual salesmen who may be owners or employees of a respondent firm. In still other instances they belong to the stockyard company and are rented, as occasion requires, at an agreed rental, usually on a time basis.

78. In addition to the more or less permanently invested capital enumerated above, a certain amount of cash working capital is required. The business is essentially a cash one. That is to say, it comprises the receipt and remittance of the proceeds of sale of property owned by its patrons. Nevertheless, only those sales of livestock which are billed to the purchaser prior to 2 o'clock p. m, on the day of sale are paid for on that day. Respondents follow the practice of remitting the proceeds on the day of sale. Such remittances are made by deposits in banks at Kansas City for transmission to the banks of respondents' patrons. This form of remittance is desirable because it eliminates the so-called "float." It requires, however, that each respondent firm have

on hand or available through bank credits, a sufficient amount of working capital daily to cover the difference between the total proceeds of sales made each day and the total collections realized on that day. A greater need for cash working capital arises from respondents' activities in the purchases of livestock for their customers. The custom of the market place is such that this livestock must be paid for not later than 10 o'clock a. m. of the day following its purchase. The patron, who usually is a feeder, rarely comes to the market in position to make cash payment. This is partly at least because he does not know in advance exactly what the monetary requirements are to be and because in many instances he cannot arrange credit with his local bank until after the arrival of the livestock at his railroad station or farm. It appears impracticable to avoid extension of credit to these patrons. The livestock so purchased is paid for by the respondent firm and a draft is drawn on the patron through regular banking channels. Such drafts ordinarily are paid within from two days to two weeks, but infrequently may require more time.

79. The revenue of respondents' business consists of commissions charged by them for the sale and purchase of livestock. By far the greater portion of it comes from sales. The revenue from sales is deducted from the gross proceeds of such sales and therefore is received daily. This practically does away with any necessity for accounts receivable except in those infrequent instances in which a respondent firm advances money to a patron in contemplation of the sale of livestock, either already received at or on its way to the market. In the buying of livestock the receipt of commissions customarily is

delayed from two days to two weeks. Some of respondents' cash requiring expenses are paid in advance, necessitating a small amount of working capital for that purpose. There is a further need for working capital to tide over those seasons when the low run of livestock may not produce enough income to maintain the overhead expenses of the business. It is not altogether practicable for a commission firm to expand and contract its organization to meet the fluctuation in receipts of livestock. Additional yard help may be hired during the heavy seasons but there are certain employees, such as salesmen, who must by the nature of the business be retained throughout the year.

80. The stockyard company requires of those engaging in business on the market a bond covering, among other things, the payment of the freight, feed, and yardage charges. In addition to the formal requirements of registration and the filing of a tariff, the Packers and Stockyards Act, 1921, as amended, requires each market agency to give a bond covering the faithful and prompt remittance of proceeds of sale of livestock, and the prompt and faithful execution of orders for the purchase thereof and the payment for such purchases. The maintenance of these bonds necessitates a small amount of capital.

81. By far the greater part of the service rendered by respondents to their patrons comes not from the employment of property or money but the application by respondents and their more responsible employees of personal skill, judgment, and integrity. Such skill and, to a considerable extent, judgment result from the training and experience acquired by respondents and their more responsible employees

in the course of that development whereby one who enters the business in youth as a yardboy or minor office employee grows into a salesman, proprietor, or supervising office employee. While general scholastic training is not unusual among respondents, the character of the business is such that one may become better fitted for the high positions by entering the low positions requiring little, if any, previous experience, and learning the business while working up to the better places. The personnel of the business may be divided into those whose major work is performed among the livestock in the pens and alleys and those whose time principally is spent in the offices. The first of these usually enter the business as young men with a background of livestock experience on farms. Nearly always they begin as yardmen for the commission men, however, in some instances as yardmen or other employees of the stockyard company. As yardmen they work side by side with and as assistants of the salesmen. Through this association they acquire the skill requisite to beginning as salesmen. While still yardmen they are permitted, from time to time, to sell livestock under the supervision of the salesmen, and later to sell small consignments of less important grades and classes on their own responsibility. This leads them to the position of salesmen when a vacancy occurs in the sale force. The salesmen come in personal contact with the patrons and acquire a personal following which may become sufficiently large to enable them to acquire a membership in the firm by which they are employed, or to establish a new firm of their own.

82. This method of advancement to the higher office positions is not dissimilar from that which has been described with respect to the employees

who work in the yard. In neither instance, however, have the more responsible employees and proprietors always worked up in the particular firm with which they are presently associated. In some instances, of course, the requisite experience has been gained while associated with other commission firms at Kansas City or at other livestock markets or while employed by a stockyard company or engaged in some activity related to the marketing of livestock at public stockyards. However the rule is that the personnel holding the more responsible positions have gained their knowledge as an incident of employment in lesser positions at salaries compensatory of the services performed in those positions.

IX. RATES CHARGED BY RESPONDENTS FOR SERVICES RENDERED

83. Respondents who were members of the Kansas City Live Stock Exchange filed to become effective on January 1, 1926, their Tariff No. 2, setting forth all rates and charges for selling and purchasing livestock on the Kansas City market. Each of such respondents filed its separate supplement No. 3 to Tariff No. 2, effective January 1, 1930. This supplement contained rates and charges assessed by each respondent filing said supplement to cover the charges made for insurance on livestock in the yards. With this supplement there was filed Tariff No. 2 as modified by Supplement No. 2 thereto. Certain of the respondents, pursuant to provisions of Tariff No. 2, as amended by Supplement No. 2, filed their individual tariffs covering their rates and charges for purchasing livestock. On May 11, 1932, and prior to the issuance of the Acting Secretary's order of May 18, 1932, all respondent commission firms

(i. e., those who sell livestock on a commission basis), and all the respondent order buyers except three filed severally a uniform tariff of rates and charges for selling and buying livestock to become effective on May 23, 1932. The two respondent cooperative commission firms filed schedules, effective on June 18, 1932, in conformity with the order of May 18, 1932. These two cooperative agencies later filed schedules, effective on October 10, 1932, modifying somewhat their commission charges.

84. A summary of the tariffs of respondents, other than the cooperative market agencies, in effect at the Kansas City market on June 14, 1933, follows:

Selling Charges

	Per head (Cents)
Cattle and calves arriving by rail:	
Calves:	
1 to 20 head, average weight 400 pounds or under	30
All over 20 head, average weight 400 pounds or under	25
Yearlings and cattle:	
1 to 20 head, average weight 400 to 800 pounds	60
All over 20 head, average weight 400 to 800 pounds	40
Cattle:	
1 to 20 head, average weight 800 pounds and over	70
All over 20 head, average weight 800 pounds and over	60
Cattle and calves arriving by truck:	
Calves:	
2 to 20 head, averaging 400 pounds or under	30
All over 20 head, averaging 400 pounds or under	25
Yearlings and cattle:	
2 to 20 head, averaging 400 to 800 pounds	65
All over 20 head, averaging 400 to 800 pounds	45
Cattle:	
2 to 20 head, averaging over 800 pounds	70
All over 20 head, averaging over 800 pounds	60
Minimum charge for one head:	
Calves, 40 cents.	
Cattle, 80 cents.	
Hogs:	
1 to 40 head, averaging over 130 pounds	25
All over 40 head, averaging over 130 pounds	10
1 to 50 head, averaging less than 130 pounds	20
All over 50 head, averaging less than 130 pounds	5

	Per head (Cents)
Minimum charge for one head	35
Sheep or goats arriving by rail:	
For the first 120 head in each car	10
Additional head over 120 to 160 head	5
Each additional head over 160 head	4

Sheep and goats arriving by truck:

For each 300 head or part thereof:

1 to 10 head, 25 cents per head.
11 to 40 " 20 cents " "
41 to 60 " 15 cents " "
61 to 300 " 4 cents " "

Minimum charge for one head, 35 cents.

Buying charges

Cattle and calves shipped out by rail:

Cattle and calves, 50 cents per head; minimum $12 a car; maximum $15.

Calves, 30 cents per head, with a maximum of $15 per car.

Cattle trucked out:

50 cents per head; maximum $15 for 22,000 lbs.

Cattle shipped out for slaughter, $15 a car.

Cattle trucked out for slaughter, 50 cents a head, maximum $15 for 22,000 pounds.

Hogs:

Feeders and stock pigs:

Up to 50 head, 20 cents per head.
51 head and above, 5 cents per head.

Slaughter hogs:

Up to 50 head, 20 cents per head.
51 head and above, 5 cents per head.

Sheep or goats shipped out by rail:

$12 single deck; $16 double deck.

Sheep or goats driven or hauled out:

Up to 125 head, 20 cents per head; maximum $12.

Above 125 head, 15 cents per head additional; maximum $16 up to 250 head.

A summary of the tariffs of the respondent cooperative market agencies in effect at the Kansas City market on June 14, 1933, follows:

Selling commissions

Straight cars	Minimum			Maximum	
	Head	S. D.	D. D.	S. D.	D. D.
Cattle	$0.60	$13.00	----------	$15.50	----------
Calves	.30	13.00	----------	15.50	$18.50
Hogs	(1)	(1)	----------	----------	----------
	(2)	(2)	(2)	12.00	16.00
Sheep	.15	$10.50	----------	12.00	17.00

[1] $0.20 up to 40 head.
[2] $0.10 each additional head over 40.

Mixed cars:

Cattle: 65 cents per head. Not to exceed $15.50 for the cattle in a car.

Calves: 32 cents per head. Not to exceed $15.50 for the calves in a single deck or $18.50 for the calves in a double deck car.

Hogs: 25 cents per head up to 40 head. 10 cents per each additional head over 40, not to exceed $12 for the hogs in a single deck car, or $16 for the hogs in a double deck car.

Sheep: 15 cents per head. Not to exceed $12 for the sheep in a single deck or $17 for the sheep in a double deck.

Drive-ins:

Cattle: 65 cents per head with a maximum of $16.50 up to and including each 27 head.

Calves: On each 75 head of calves or fraction thereof in one consignment belonging to one owner the rates shall be determined as follows: 30 cents per head with a maximum charge of $16.50 up to and including 55 head; 25 cents per additional head above 55 with a maximum charge of $17.50 up to and including 75 head.

Hogs: 25 cents per head up to 40 head, inclusive; 10 cents per each additional head with a maximum charge of $14 on any one consignment.

Sheep: On each 250 head of sheep or fraction thereof in one consignment belonging to one owner the rate shall be determined as follows: 20 cents per head with a maximum of $13 up to and including 125 head. 15 cents per additional head above 125 with a maximum charge of $18 up to and including each 250 head.

Buying commissions

Cattle or calves:

NONSLAUGHTER

(a) Shipped out, 50 cents per head with a minimum of $12 and a maximum of $15 per car.

(b) Trucked or driven out, 60 cents per head with a maximum of $16 and 22,000 pounds shall be considered as the maximum weight to be purchased at this maximum rate.

SLAUGHTER

(c) Shipped out, maximum $15 per car.
(d) Trucked or driven out, 60 cents per head.

Hogs:

(e) Slaughter: $7.50 for single deck car; $12 for double deck car.
(f) Stock: $12 for single deck car; $20 for double deck car.
Driven or hauled out:
25 cents per head up to 48 head.
On larger lots carload rates; 120 head to be considered a single deck load.

Sheep or lambs:

(g) Sheep or lambs $12 per single deck and $16 per double deck car.
(h) Sheep or lambs driven or hauled out, 20 cents per head or a maximum of $12 up to and including 125 head. 15 cents per additional head above 125 with a maximum charge of $16 up to and including 250 head.

The foregoing are the basic rates but do not include all charges made. There are, in addition, provisions in respondents' tariffs for certain extra service charges, minimum charges on consignments, and special charges for selling the livestock of dealers. Besides these there are other miscellaneous provisions with respect to the application of the rates.

X. VOLUME OF BUSINESS HANDLED BY THE RESPONDENTS

85. The revenue producing business of the respondents consists of livestock sold and livestock purchased on a commission basis in the Kansas City stockyard and to a comparatively slight degree at points away from Kansas City. The volume discussed under this heading relates to that portion of the business of the respondents transacted at the Kansas City market. Most of the respondents who sell livestock also purchase it on order and charge a commission therefor. Such purchasing is the principal business of certain respondents known as order buyers.

86. While in this order the unit principally used for rate making purposes is the head of each respective species of livestock, simplicity and clarity in the statement of relative revenue producing volumes of the respective respondents require the use of some common denominator. This is for the reason that the commissions for the sale or purchase of a single head of cattle necessarily exceed to a considerable degree such commissions with respect to a hog or a sheep. The fact that a carload of hogs or sheep contains many more animals than a carload of cattle brings the commission revenue produced from it much more nearly on a level with that produced from a carload of cattle. Therefore, in this discussion of the revenue producing volume, the livestock of each species handled by each respective respondent commission firm is reduced to carload equivalents based upon the average number of animals per car of the particular species contained in the total number of straight cars of that species received by the particular respondent during the years 1929 and 1931. The following tables set forth the number of carlot equivalents of livestock of all species handled by each of the respondents in 1929. For the year 1931 they show in addition to the carlot equivalents the actual number of head of each species received by rail and by truck and used in determining the number of carlot equivalents.

Volume handled by commission men in 1929

	Number of cars		Number of cars		Number of cars
Firm No.:		Firm No:		Firm No:	
33	114	8	854	34	1,894
41	131	23	871	28	1,930
37	162	5	879	14	2,124
72	165	30	950	25	2,147
66	178	60	1,000	42	2,288
80	277	77	1,022	18	2,381
86	365	44	1,039	12	2,958
85	424	16	1,204	83	2,960
78	449	75	1,208	71	3,117
79	449	29	1,285	13	3,343
11	456	4	1,302	84	3,541
43	492	62	1,306	51	3,786
74	499	48	1,367	73	4,051
31	512	7	1,382	35	4,394
67	555	70	1,400	10	4,913
1	596	55	1,441	36	4,995
61	611	52	1,463	82	5,415
76	612	53	1,583	46	7,553
6	642	65	1,625	54	8,158
17	656	26	1,736	63	8,577
20	805	56	1,775	59	8,778
15	829	68	1,838		

Of these 65 firms listed above, 11 firms handled over 50 percent and 25 firms handled over 75 percent of business received by all.

Volume handled by order buyers in 1929

	Number of cars		Number of cars		Number of cars
Firm No.:		Firm No.:		Firm No.:	
49	11	69	203	32	1,369
47	34	39	446	81	1,978
24	75	3	480	64	2,771
58	79	38	947	57	3,309
40	102	21	1,124		

Volume handled by commission men in 1931, expressed both in head and carlot equivalents

Firm No.	Number of cars	Number of head							
		Cattle		Calves		Hogs		Sheep	
		Rail	Truck	Rail	Truck	Rail	Truck	Rail	Truck
37	67	1,062	154	94	179	----	34	----	321
33	72	899	365	118	97	537	1,153	115	690
72	88	1,791	218	206	121	453	624	----	45
67	91	48	236	43	127	101	5,851	----	580
88	99	2,553	155	125	63	353	69	----	----
11	106	853	431	37	264	955	1,712	----	175
66	112	2,951	326	209	170	370	367	----	283
1	257	----	----	----	----	----	----	25,909	1,571
74	314	5,744	1,737	550	494	690	1,674	----	333
9	364	1,241	1,277	109	486	3,228	9,186	----	598
79	381	7,764	967	1,164	727	1,255	1,713	1,234	1,021
78	421	8,948	951	283	412	3,002	1,267	1,451	1,981
76	424	3,915	3,300	478	1,707	2,952	4,847	690	863
61	425	514	3,512	101	5,355	982	6,115	41	950
87	432	415	225	149	202	25	201	89,910	5,430
17	446	6,433	1,589	668	1,395	1,008	5,236	268	488
19	447	9,608	1,212	575	604	2,747	1,576	832	420
6	605	9,912	2,943	1,943	937	3,457	4,711	367	853
15	702	7,194	3,839	1,091	2,662	3,076	17,179	1,664	2,150
43	785	----	----	----	----	----	----	81,150	37,410
30	814	20,154	1,133	1,236	295	683	2,806	----	533
52	820	13,770	2,121	1,524	1,155	2,505	3,617	2,354	1,966
5	857	----	----	----	----	----	----	191,159	11,204
75	872	17,951	4,119	814	1,551	649	3,857	1,809	678
60	905	9,267	7,575	310	1,645	2,021	18,791	----	753
77	906	15,398	2,583	1,597	1,084	5,340	3,980	857	778
29	962	17,073	2,526	2,165	1,005	5,223	6,462	----	734
16	988	18,966	2,949	2,736	1,471	2,189	6,306	377	1,193
20	1,039	25,473	1,013	4,272	780	2,285	1,442	461	411
7	1,067	6,546	3,483	508	3,216	5,700	33,910	128	1,167
26	1,164	19,237	2,586	3,094	1,344	3,460	13,739	1,158	1,499
23	1,239	24,607	3,294	1,580	2,249	346	1,190	300	362
4	1,244	29,208	1,005	3,241	240	4,921	2,028	1,811	86
44	1,261	----	----	----	----	----	----	225,533	39,779
56	1,263	30,685	1,660	1,351	309	1,730	5,389	4,464	460
62	1,269	20,482	5,462	1,087	3,119	1,735	12,955	479	2,586
53	1,297	22,911	2,895	960	1,018	8,459	8,747	335	396
65	1,372	28,103	3,346	2,641	2,425	5,368	2,251	1,573	611
70	1,382	28,866	3,115	3,031	1,512	8,432	5,043	1,287	1,250
48	1,421	33,800	3,704	2,823	1,375	3,389	2,557	217	213
14	1,641	30,612	5,363	2,659	2,898	7,241	13,016	3,759	3,606
34	1,984	45,893	1,852	1,370	968	13,159	3,126	21	189
25	1,999	43,429	2,881	4,083	1,278	3,109	11,587	1,412	2,264
42	2,023	51,168	3,311	8,637	2,277	5,232	6,048	687	791
18	2,092	49,537	1,903	3,878	668	7,960	3,487	2,773	384
55	2,219	43,337	6,462	3,762	4,789	6,827	11,439	1,013	2,672
71	2,234	49,590	3,437	2,529	897	10,765	9,190	649	765
35	2,418	47,879	3,781	2,695	1,621	2,779	9,062	31,645	12,265
12	2,450	50,164	3,751	9,141	1,991	11,630	13,711	1,873	1,566
13	2,475	40,965	8,272	6,142	3,770	16,969	22,971	2,318	3,370

Volume handled by commission men in 1931, expressed both in head and carlot equivalents—Continued

Firm No.	Number of cars	Number of head							
		Cattle		Calves		Hogs		Sheep	
		Rail	Truck	Rail	Truck	Rail	Truck	Rail	Truck
73	2,936	63,920	1,970	6,551	1,143	13,122	21,055	3,484	551
51	2,976	1,258	8,991	360	10,944	12,192	125,217	275	6,650
84	3,021	55,753	2,879	5,025	937	5,822	5,381	109,123	2,286
82	3,741	83,455	4,515	12,284	1,915	16,773	13,084	800	1,207
83	4,130	113,968	2,008	4,595	344	3,026	1,052	1,386	994
36	4,996	61,723	11,140	6,011	5,917	88,546	56,460	14,990	21,585
46	5,641	129,127	8,527	6,693	2,903	16,072	15,744	3,369	3,926
10	5,699	87,888	17,713	5,980	5,691	23,901	72,678	68,445	26,257
63	6,009	103,187	12,422	5,865	4,489	90,143	42,249	30,729	12,416
50	7,022	120,850	14,113	10,365	4,829	27,000	37,627	194,504	10,839
54	8,544	160,515	4,390	14,995	1,726	18,034	8,913	575,548	14,995
		1,888,567	207,672	166,542	103,230	489,848	701,682	1,687,472	252,380

Volume handled by order buyers in 1931

Firm No.	Number of cars	Number of head							
		Cattle and calves		Calves [1]		Hogs		Sheep	
		Rail	Truck	Rail	Truck	Rail	Truck	Rail	Truck
101	3,417	78,833	13,111	.....	.....	11,447	.....	33,714	583
102	2,103	51,518	.....	.....	.....	105,944	.....	.....	.....
103	892	.....	.....	.....	.....	118,415	.....	.....	.....
104	289	10,960	.....	.....	.....	112	.....	1,222	.....
105	99	3,520	.....	.....	.....	107	.....	1,566	.....
106	618	11,367	.....	.....	.....	43,764	.....	3,900	.....
107	570	.....	.....	.....	.....	87,212	.....	.....	.....
		136,198	13,111	.....	.....	367,001	.....	40,402	583

[1] Included with cattle.

XI. GROSS REVENUES

87. The respondent commission firms vary among themselves in the amount of gross revenues received from the sale of livestock consigned to them. These differences are due, for the most part, to variation in the volume of livestock received by them. Some of them, however, are attributable to a lack of uni-

formity in the character of business received. The livestock consigned to some firms may run heavily to one species and grade and that of another to another species and grade.

88. The following tables show for each firm the gross selling and buying commissions received from Tariff No. 2 in 1929 and in 1931:

Commission men

1929		1931	
	Amount		Amount
Firm No.:		Firm No.:	
38	$1,943.52	37	$1,199.90
41	2,228.05	38	1,522.95
72	3,021.40	72	1,695.05
37	3,115.05	88	1,832.75
66	3,326.40	11	1,845.15
80	4,658.92	66	1,982.00
86	6,386.20	67	2,167.55
85	7,023.30	1	3,600.28
11	7,224.28	9	5,687.96
79	8,294.75	74	5,923.11
78	8,368.25	79	7,446.58
74	8,523.07	78	7,[illegible].75
67	9,547.92	61	7,718.13
31	9,697.15	76	8,097.73
61	10,187.30	19	8,135.30
1	10,317.35	17	8,421.15
76	10,908.56	87	8,883.96
43	11,246.92	6	11,668.49
6	11,564.97	52	14,781.04
17	12,195.40	15	14,911.27
23	14,993.86	30	15,428.75
20	15,271.95	77	15,927.96
8	15,603.20	75	16,274.93
15	17,024.30	60	17,078.82
5	17,310.69	43	17,419.88
77	17,657.03	5	17,556.01
30	17,971.15	29	18,286.82
60	19,297.77	16	18,887.50
75	20,710.71	20	19,321.20
16	22,421.33	7	20,078.27
62	23,139.60	23	20,7[illegible].66
4	23,171.64	26	21,807.77
29	23,804.71	4	22,336.53
44	25,014.27	56	23,193.08
48	25,910.35	62	23,488.44
53	26,038.80	53	23,881.68
7	26,481.24	65	25,643.59
55	26,770.50	70	26,391.99
70	27,154.97	48	27,216.03

Commission men—Continued

1929		1931	
	Amount		Amount
Firm No.:		Firm No.:	
58	$28,775.67	44	$27,679.43
56	30,627.34	34	29,041.10
65	31,275.50	14	32,208.87
26	31,517.40	25	36,280.93
68	31,603.26	18	37,283.65
34	31,992.53	42	39,296.66
28	34,325.90	55	40,949.18
14	37,534.95	71	41,474.09
25	38,382.32	35	45,007.41
18	42,551.14	12	45,066.81
42	43,228.85	13	47,563.60
83	50,133.21	73	51,233.80
12	52,653.11	84	52,999.55
71	53,301.19	51	54,703.22
13	61,483.65	82	67,812.70
84	61,984.59	83	68,677.60
51	65,065.77	46	91,216.54
73	72,448.32	36	99,769.35
35	78,374.95	10	102,078.98
10	90,759.27	63	104,993.75
82	94,988.17	59	126,036.08
36	118,172.84	54	154,137.19
46	124,217.91		
63	148,516.86		
54	148,669.21		
59	155,381.93		
	2,313,442.99		1,911,837.81

Of the 65 firms listed for 1929, 11 firms received over 50 percent of the 1929 revenues; 26 firms received over 75 percent of these revenues. Of the 61 firms listed for the year 1931, 11 firms received over 50 percent of the revenues for that year; 24 firms received over 75 percent of the revenues of that year.

XII. METHODS USED BY RESPONDENTS IN GETTING AND MAINTAINING BUSINESS

89. The respondents employ many different methods in their attempts to get and maintain volume of business. They vary somewhat in their opinions as to the relative value of the different business-

getting and maintaining activities. They are practically unanimous, however, in the view that the most important factor is the rendering of the highest class of service. It is their opinion that a satisfied customer is a firm's best advertisement. Most of the respondent firms send out market letters periodically. These vary in frequency, size and content. They usually contain information about general market conditions and prospects for the future, and give an account of some outstanding sale made by the issuing firm. Frequently, matters of general interest to livestock producers are incorporated in these market letters. In addition to these, some of the firms get out circulars or cards giving suggestions about sorting and grading and methods of feeding and loading livestock. Those respondents who are members of the Live Stock Exchange are prohibited by its rules from giving presents or gifts in consideration of past or future business. This rule does not preclude the giving of articles, such as lead pencils, memorandum books, and other inexpensive advertising novelties.

90. Some of the respondents advertise in livestock journals and in the local papers in the territory from which they are accustomed to receive livestock. A local livestock market paper is published at the Kansas City market. Prior to January 1, 1930, it was the custom of many of the respondents to give free subscriptions to this paper to some of their customers. On January 1, 1930, the respondents who were members of the Exchange discontinued this custom under a rule of the Exchange which became effective on a sliding-scale basis within a period of six months. In lieu of this practice, the Exchange began a radio broadcast service for the maintenance of which each member is charged 5 cents per car on

the livestock handled. This radio broadcast is in the nature of a joint advertising venture on behalf of Exchange members.

91. Livestock salesmen carry on a considerable volume of correspondence with their customers and thus maintain contacts regarded as so necessary in the commission business. Most of the firms keep a list of customers and prospective customers. In addition to answering inquiries made by customers for market information, some of the firms at such times as they may deem suitable send letters dealing with market conditions which they consider of interest to their customers.

92. Respondents frequently entertain their customers, but a rule of the Exchange prohibits the giving of free meals in the West Bottoms, which is that part of the central industrial district of Kansas City in which the stockyard is located. Outside of this restriction, the amount expended for entertainment is limited only by what each firm may deem expedient in its own case. Throughout the course of the year there are meetings and conventions of producers held in the trade territory of the Kansas City market. It has become customary for many of the respondents to send representatives to these meetings. Attendance thereon affords an opportunity to meet and talk with the producers of livestock. In addition, respondents make special trips to the country for the purpose of soliciting business. Those respondents who are members of the Exchange are prohibited by its rules from employing traveling or livestock solicitors. Only individual bona fide stockholders of corporations and salesmen or buyers of livestock on the Kansas City market, regularly employed in the commission business at Kansas City,

may solicit business for the market. Such persons cannot remain in the country on a soliciting trip more than 15 days in each month, subject, however, to certain exceptions in certain stated regions.

93. In an effort to get business many of the respondents have undertaken the rendition of definite services incident to the marketing of livestock, but not immediately associated with the service of buying and selling livestock on a commission basis at the Kansas City market. One of these activities is commonly referred to as "appraisal" or "inspection" work. Some of the shippers, those usually having more than a carload of livestock to be marketed, request members of respondent firms, or their salesmen, to come to the country and look at their livestock. The object of the shipper in requesting this service is to get the opinion of the salesman as to whether the livestock is in condition to be marketed to best advantage and about what price it may be expected to bring. Frequently on such visits the salesman assists the producer in sorting his livestock and in loading it for shipment. A single shipper sometimes requests this service of more than one commission firm in order to get the benefit of the opinions of more than one salesman. These appraisal or inspection trips are made either by train or by automobile. In nearby territory it is usually done by automobile. These trips are made at the expense of the respondent firms. Inasmuch as this is a free service and respondent firms encourage shippers to avail themselves of it, it is increasing.

94. Several sheep and cattle feeding yards are located near Kansas City to which some shippers send their cattle and sheep to be held and fed anticipatory to marketing it either at such feed yards or

at the Kansas City stockyard or some other livestock market. It is customary for the owners of such livestock to ask the commission firms to look after it. The owners often accompany it. Respondents make trips, sometimes with the owners, to these feeding yards to look over the livestock and render sundry services in connection with it, such as sorting, supervising, and feeding it, and arranging for shearing of sheep and the selling of the wool, if shearing is deemed necessary. No separate charge is made for these services. At the time of the second hearing in this case cattle and sheep were being bought and sold at some of these neighboring feeding yards.

95. The leasing of pasture land for the use of those customers who have cattle to graze has become an important activity for some of the respondent firms. The Kansas City market is near the Flint Hill section of Kansas and the Osage country of Oklahoma, which are extensive grazing areas. Many stockmen throughout the Southwest request their commission firms at the Kansas City market to obtain pasture for them in these grazing regions. The respondent firms that render this service make it a point to keep informed in regard to the available pastures, in order that ready contact may be made with the owners of these grazing lands. A commission firm rendering this service goes out to inspect the pastures in order to determine the condition of the grass, the water supply and the character of the fences, and then reports to the customer. The commission firm also furnishes a form of pasturage contract, which is used when the owner leases the land. After the lease has been made and the owner has shipped this livestock to the pastures, a representative of the commission firm is usually present

when the cattle arrive in order to look after the interests of the owner. While the cattle are grazing frequent trips are made by the interested commission firm for the purpose of inspecting the cattle, the condition of the grass, and the supply of water. Another inspection of the cattle generally is made before shipment to market. No separate charge is made for this service which is rendered in the hope that the commission firm rendering it will receive the livestock for sale on the Kansas City market. It sometimes happens that this livestock is shipped elsewhere or, if to the Kansas City market, to some other firm than the one which has rendered the service.

96. Some of the respondent firms engage in making loans on livestock. Such firms either loan their own money or negotiate loans through a bank. They may act as the endorser of livestock paper. In those cases in which they endorse the paper, the interest charged is about one percent above that which prevails in the market. This represents a charge by the commission firm for its services and for underwriting the risk involved. In connection with making loans on livestock it is usually necessary to make an inspection of it. Most of the loans are made at the time the livestock is purchased at the market. In this event the work of inspection does not involve a great deal of time or expense since the details are handled by the regular office force. The respondents do not contend that the livestock loan business is a part of the commission business, but they do contend that it is a business-getting venture and that the expense incurred in connection with it is one properly incurred in the conduct of the commission business.

97. The business-getting efforts of those who buy livestock on order are not so varied. They advertise in papers to some extent and make occasional trips to call upon their customers. Contact by telephone and telegraph is the principal means used by them in getting and maintaining their volume of business.

XIII. JOINT ACTIVITIES OF THE RESPONDENTS

98. With the exception of the two cooperative commission firms and several individual order buyers operating on a small scale, respondent firms maintain the Kansas City Livestock Exchange, which is a voluntary organization not conducted for profit. The object of this association is to maintain uniform customs and certain standards of trade ethics more particularly outlined in the rules formulated by it. All members of the Exchange are required to observe these uniform rules. The membership of the Exchange is composed of those who engage in the commission business at the market and such others as were once engaged in such business and who have become inactive but have retained their memberships.

99. There exists also an arrangement between the members of the Exchange and the respondent cooperative firms known as a trade-practice agreement whereby the latter two firms, by meeting certain conditions, such as the giving of bonds and agreeing to abide by certain disciplinary measures, can avail themselves of certain facilities maintained by the Exchange. The Exchange is registered as a market agency engaged in rendering certain miscellaneous services, including particularly hog inspection and dockage. It is not a respondent in this proceeding

and the reasonableness of its rates for services is not a subject of inquiry here.

100. The Exchange maintains a system of hog inspection and dockage whereby it employs men to inspect these animals for conditions of health and for certain physical conditions which may exist in some hogs, for which a deduction from the agreed price will be made. The rules of the Exchange definitely prescribe the procedure. If there is dissatisfaction with the docker's decision, an appeal may be taken to the chief inspector whose decision is final unless an arbitration is called for. The person who calls the arbitration is charged $1.50. A charge of 20¢ is made on each car of hogs arriving at the market for sale, and a prorata charge is made on truck receipts of hogs to cover the expenses of hog inspection and dockage. This charge is deducted from the proceeds of sale of hogs.

101. The Exchange maintains a clearing house which serves as a central office for the convenient handling of bills rendered and accounts collected. Each firm pays for the use of this facility according to the volume of business handled. The cooperative firms also avail themselves of this service.

102. The Exchange procures and maintains a policy of insurance, protecting livestock against fire while it is in the yard. One-half the premium is deducted from the proceeds of sale of livestock, Traders, packers, and order buyers also make a contribution to a fund used to maintain this insurance. Those agencies which are not members of the Exchange maintain their individual insurance policies and do not enjoy the protection of the blanket policy carried by the Exchange for its members. The

collections by the Exchange exceed the premiums, and this excess goes into the general fund.

103. The Exchange has an agricultural development fund. Members are assessed 10¢ per car on inbound shipments, 6¢ per car on livestock bought on order, and 6¢ per car on livestock cleared through brokers. This fund is used in general promotional work, such as livestock sanitation, boys' and girls' club work and fairs.

104. On March 1, 1930, the Exchange began making an assessment of 5¢ on each inbound car of livestock sold, to support the radio broadcasting conducted by it. This charge is made against those firms which are members of the Exchange. The Exchange also assesses each firm 2¢ per car on all inbound rail receipts to maintain its transportation department. The purpose of this department is to look after train service and the relationship of freight rates as between Kansas City and other markets. The respondent cooperative firms are assessed for this purpose, pursuant to the trade practice agreement.

105. The exchange charges $3 per month per membership for the purpose of building up a fund to retire the certificates of membership of deceased members. This is governed by the rules of the Exchange. The Exchange has organized an independent association, composed of members of the Exchange, known as the Kansas City Live Stock Exchange Employees Association. It has the same officers as the Exchange and is founded and operated under the insurance laws of New York. Contributions to this are made on an individual basis. and the expenses of the association are borne by assessments against individual members.

XIV. RISKS INCURRED IN THE COMMISSION BUSINESS

106. The record in this proceeding shows the character of the risks to which the respondents are subject in the conduct of their business. These risks are of two general types, namely, those which result in losses of sufficient frequency and definiteness to make it possible for insurance companies to calculate on an actuarial basis the premiums necessary to be charged and those which occur so infrequently and are so indefinite in character as to make this impossible. The former class of risks is insurable, while the latter is not. Insurance premiums paid enter into the expenses of the respondents. The losses incurred on account of uninsurable risks constitute items to be provided for in the reasonable profit allowable over and above reasonable expenses. The respondents claim that these risks affect both their revenues and their expenses. Among those which affect their revenues are the possibility of decline in the production of livestock within the trade territory of Kansas City and the growth of direct buying by packers in that area. Among those risks affecting unfavorably the expenses of conducting their business the respondents enumerated the following: Their guaranty against defects in title to livestock sold by them; errors entering into accounting processes; failure of producers to make payment; losses through litigation on account of bank failures; freight undercharges; sales of diseased and defective livestock; loss or damage to livestock while in their custody; public liability; liability to employees; and loss of property through fire. Against insurable hazards most of the respondents carry some insurance, but there are others who choose to carry this risk themselves.

107. The respondents are forced by the conditions which surround the conduct of their businesses to carry some of the risks themselves. While the livestock commission business is theoretically a cash business, it frequently happens that respondents make remittances before they have received payment for livestock sold. If the buyer is a regularly registered agency at the market, other than a packer buyer, the payment for the livestock is guaranteed under the buyer's bond. If, however, the buyer is not bonded, there is an element of risk in a sale to such a person in that the purchaser for some reason may not settle for the livestock purchased. It sometimes happens in connection with sales of livestock to a countryman who gives his check or in case of a sale to those who purchase on order that the commission man turns over to the owner the proceeds of sale before collection is made from the purchaser. Besides this, there is also an element of risk involved in the remittance of proceeds to the shipper in that litigation may arise in connection with the failure of a bank in which proceeds have been deposited. Other risks which may be classed as uninsurable are those arising from bad debts, errors, and adjustments which cannot be avoided even by reasonable precaution, losses on account of making loans, and other items of like character. Bad debts are usually incurred in connection with loans made or credit given to those for whom purchases are made, or the honoring of drafts drawn by shippers before livestock has been sold, the proceeds of the sale of which do not equal the amount of the draft. There is also the possibility of injury to livestock while in the custody of the commission firms resulting from the negligence of the commission firm or its em-

ployees. Inasmuch, however, as each commission firm endeavors to render the highest class of service and handle livestock in the most humane manner, the risk of loss from this source is practically negligible.

XV. ECONOMIC CHANGES SINCE THE YEAR 1929

108. The rehearing was granted in this proceeding upon the ground alleged by the majority of the respondents in their petitions therefor, namely, that changed economic conditions since the original test year, 1929, had rendered the experiences of that year insufficient as a basis for the determination of reasonable rates. It becomes pertinent, therefore, to note herein the changes shown of record and noticeable under the doctrine of *Atchison, Topeka, and Santa Fe Railway Company* v. *U. S.*, 284 U. S., 248, which have occurred between the year 1929 and the close of the record in the last year as in this proceeding. They may be discussed as three general classes, namely (1) general changes affecting the country as a whole; (2) general changes affecting the livestock industry; and (3) particular changes affecting respondents' businesses and revenues.

109. The general economic changes are, in brief, that beginning in the year 1929 the business life of the country has descended from one of the highest levels of activity and prosperity ever known to one of the most severe depressions in our entire national experience. Values of tangible property and of investments, as well as incomes, salaries, wages, and commodity prices, have descended to levels lower than were thought in 1929 hardly to be possible.

110. The effect of the general depression was felt severely in the livestock producing industry. Whereas in December 1929 the monthly average prices at Kansas City of slaughter steers ranged from $9 to $14 per 100 lbs., of hogs from $7 to $9, and of slaughter lambs from $9 to $12, depending upon weight and grade, the comparable prices for December 1931 were: slaughter steers, $3 to $10; hogs, $3 to $4; and slaughter lambs, $3 to $5. It was testified by some of the respondents that at times since the year 1929 the livestock market at Kansas City was so demoralized by lack of demand and consequent low prices that they advised their patrons to withhold shipments of livestock even though so doing tended to decrease the respondents' own revenues.

111. In its effect on the prosperity of the respondents' businesses the general depression manifested itself principally in a decline in the volumes of livestock received by them for sale or bought by them on commission. As illustrative of this, their total revenue producing fresh receipts of livestock were for 1929: cattle 1,743,165; calves 273,577; hogs 2,140,170; and sheep 1,673,705 head; while for 1931 they were: cattle 1,580,290; calves 236,727; hogs 1,102,425; and sheep 1,817,611 head. There were, of course, corresponding declines in revenues, except in the case of sheep where the increased volume produced a greater revenue. The record having been closed in November 1932, receipts for the entire period of that year are not available. However, those for the first seven months thereof were not quite as great as during the similar period of 1931.

112. In the year 1932, partly, at least, as a result of the general depression and the unfavorable

economic condition of their patrons' businesses, respondents reduced their rates to some extent.

113. Notwithstanding the unfavorable business conditions and lowered receipts in 1931, as compared with 1929, few of respondent firms operating in both of those years showed any substantial reduction of personnel in the former as compared with the latter. Also, few firms made any substantial reduction in salaries and wages sufficiently early in the year 1931 materially to affect their cost of doing business as shown in the audits covering that year. Such decreases as were made took place largely in the latter part of the year 1931 and in the year 1932. (See exception No. 15. See also 2T; 85, 163, 216, 250, 251, 395, 396, 467, 671, 672, 673, 1001, 1572, 1573, 1994, 1995, 1996, 2289, 2290, 2754, 2965, 3078.)

XVI. PRINCIPLES GOVERNING DETERMINATION OF REASONABLE COMMISSION RATES

114. The Packers and Stockyards Act provides that if, after investigation and full hearing, the Secretary of Agriculture finds commission rates in effect at a livestock market to be unjust, unreasonable, or discriminatory, he shall prescribe rates that are just, reasonable, and nondiscriminatory, or the maximum or minimum rates, or the maximum and minimum rates, which are just reasonable and nondiscriminatory. In arriving at such a schedule it is necessary to adopt a guide to reasonableness. The guide adopted in this case is that under ordinary conditions as they prevail on the Kansas City market, a schedule of rates should be high enough to produce sufficient gross revenues to pay all reasonable costs and a reasonable compensation for management and risk, that is, a reasonable profit, to the owner or owners of

any firm which receives enough livestock to enable it to handle its business in a reasonably efficient and economic manner. This principle was followed in the Omaha Commission Rate Case, and was approved by the Supreme Court of the United States in the case of *Tagg Bros. and Moorhead et al.* v. *United States* (280 U. S. 420). It becomes necessary, therefore, in following this guide to determine the reasonable costs to the respondents of handling each species of livestock.

XVII. COST-OCCASIONING FACTORS

115. There is a relationship between those factors which occasion work for respondents and their employees and the costs to respondents of rendering the services for which they charge the rates. This relationship, however, is not so direct as to bring about an increase in cost whenever an increase in work arises. This is due to the fact that in many instances the major functions of those engaged in performing the activities of respondents can be carried on only at certain times. For instance, a salesman cannot sell livestock except when the market is open and more or less active, notwithstanding the volume of livestock which he has for sale. On the other hand, the type of men who make good salesmen would hardly be content to accept less salaries in consideration of short hours. They demand and get good pay and are willing to return therefore a reasonable day's and week's service. Therefore, the fact that prior to the selling hours they assist in the yards and that during the last one or two days of the week they go to the country to appraise livestock and solicit business does not increase the respondents' expenses for salaries. There-

fore, in the distribution of costs hereinafter made to functional accounts, the services of a salesman, for instance, are not divided as between selling, yarding, office work and business getting and maintaining, but are considered as being covered by the reasonable allowance for salesmanship. The same is true in principle with respect to the salaries of other workers such as yardmen and those who are engaged in the office.

116. The cost occasioning factors will as a rule be found to consist of those activities which require the employment of a personnel in the handling of a given number of animals. For instance, since each consignment, however large or small it may be, must be yarded, sold, weighed, and accounted for as a separate unit, the greater the number of consignments contained in each hundred thousand of animals handled by a respondent firm the greater will be the personnel and resultant cost required for such handling. To a less degree the same is true with respect to the number of drafts and of owners and of account sales to the hundred thousand of animals handled. The accompanying table, considered in conjunction with the unit cost per firm of handling the various species of livestock according to modes of arrival, is an illustration of these facts. The accountants' analyses hereinafter described indicate that the greater unit costs attach to livestock coming in with species mixed in a car or in motor trucks or received as so-called seconds in the yard and the lesser unit costs attach to the livestock which arrives in railroad cars without species being mixed. This table shows that in the case of cattle, for instance, those coming by straight rail, single ownership, average for the market as a whole 45 head per owner and 45 head per account

sale, which is practically equivalent to per consignment, and 11 head per draft, whereas the mixed rail, single ownership, average only 33 head per owner and 30 head per account sale and approximately 3 head per draft; the drive-ins average 4 head per account sale and 4 head per owner and 2 head per draft; and the seconds average 8 head per account sale and 8 head per owner and less than 4 head per draft. The differences in unit costs hereinbefore discussed have occasioned classifications in rates based on the mode of arrival, but both the testimony of some of the respondents and the conclusions to be drawn from the analyses of the accountants lead to the further conclusion that costs do not depend upon the vehicle in which the livestock was transported to market or the company it kept on the road, but rather on the number of head contained in, the number of owners to, and the number of drafts necessary in each consignment. The table here discussed follows:

	Selling								Buying	
	Straight rail		Mixed-cattle and calves		Mixed-all species		Drive-ins	Seconds	Rail	Drive-outs
	S. O.	P. O.	S. O.	P. O.	S. O.	P. O.				
Cattle:										
Cars	31,231	6,112	5,954	3,751	543	401	----------	----------	14,275	----------
Decks	31,231	6,112	5,954	3,751	543	401	----------	----------	14,275	----------
Head	867,253	180,568	197,080	122,531	17,136	12,958	182,764	105,769	491,041	24,908
Drafts	72,509	34,309	45,917	40,661	5,851	6,527	89,737	31,789	43,226	5,963
Owners	18,865	10,876	2,630	3,810	506	2,779	45,441	13,634	10,423	2,365
Account sales	18,931	9,950	2,650	7,284	509	2,032	45,441	13,634	10,423	2,365
Head per draft	11.96	5.26	4.29	3.01	2.93	1.98	2.04	3.33	11.36	4.18
Head per owner	45.97	16.60	74.93	13.91	33.86	4.66	4.02	7.76	47.11	10.53
Head per account sale	45.81	18.15	74.37	16.82	33.67	6.38	4.02	7.76	47.11	10.53
Calves:										
Cars	244	23	1,168	592	106	87	----------	----------	471	----------
Decks	248	23	1,168	592	106	87	----------	----------	471	----------
Head	14,035	1,228	73,170	36,604	6,835	5,864	98,911	14,967	28,726	4,319
Drafts	623	83	15,421	12,120	3,119	3,546	65,503	5,266	1,373	1,468
Owners	151	30	2,573	4,770	294	2,110	41,010	1,983	423	403
Account sales	151	26	2,561	4,109	295	1,311	41,010	1,983	423	403
Head per draft	22.53	14.79	4.74	3.02	2.21	1.66	1.51	2.83	20.92	2.94
Head per owner	92.96	40.93	28.43	7.67	23.42	2.79	2.41	7.55	67.91	10.72
Head per account sale	92.96	47.23	28.35	8.91	23.34	4.50	2.41	7.55	67.91	10.72
Hogs:										
Cars	3,145	1,119	----------	----------	748	634	----------	----------	473	----------
Decks	3,266	1,159	----------	----------	750	647	----------	----------	722	----------
Head	235,338	83,875	----------	----------	55,671	49,388	678,156	84,673	65,597	23,536
Drafts	12,849	9,328	----------	----------	6,007	8,476	89,095	5,842	1,559	994
Owners	3,007	5,488	----------	----------	839	5,123	50,587	3,710	407	489

	Selling								Buying	
	Straight rail		Mixed-cattle and calves		Mixed-all species		Drive-ins	Seconds	Rail	Drive-outs
	S. O.	P. O.	S. O.	P. O.	S. O.	P. O.				
Hogs—Continued.										
Account sales	3,006	4,969			531	4,072	59,587	3,710	407	489
Head per draft	18.32	8.99			9.36	5.83	7.61	14.49	41.80	33.67
Head per owner	78.26	15.28			105.24	9.64	11.38	22.82	161.12	48.11
Head per account sale	78.28	16.87			104.84	12.13	11.38	22.82	161.12	48.11
Sheep:										
Cars	5,481	820			48	23			455	
Decks	10,481	1,491			49	24			802	
Head	1,371,805	192,453			6,481	3,399	343,474	2,154	113,335	8,906
Drafts	10,690	4,699			479	374	29,674	112	876	345
Owners	3,225	2,243			59	205	16,635	68	373	229
Account sales	3,221	1,627			59	133	16,626	68	373	229
Head per draft	128.44	40.95			13.53	9.09	8.20	19.23	129.37	25.81
Head per owner	425.37	85.80			109.84	16.58	14.64	31.67	304.66	38.89
Head per account sale	425.89	118.28			109.84	25.55	14.64	31.67	304.66	38.89

XVIII. PREPARATION FOR THE DETERMINATION OF COSTS

117. In preparation for the determination of costs in this matter the Government caused to be made an audit of the business done by each respective respondent firm (including corporate and individual respondents) during the year 1929 and, when a rehearing had been granted, caused to be made similar audits covering the year 1931. These audits were made by trained and experienced accountants, under the supervision of a chief accountant, from the books and records of the respondents. In each instance the year chosen was the last complete calendar year preceding the hearing. The marketing of livestock at Kansas City is such as to render the full calendar year the fairest accounting period. One among other reasons for this is that the calendar year presents a complete cycle of marketing of the various classes and grades of livestock. The factors which may occasion light runs at one period of the year are apt to cause correspondingly heavy receipts at another.

118. While in preparation for each hearing it was only practicable to audit the businesses for one calendar year, much information concerning the conditions which affect respondents' businesses and covering a period of many years was obtained and placed in the record. Particularly among those was a showing of the volume of livestock received at the Kansas City stockyard year by year from 1882 to 1931, both inclusive, and month by month from January to September, both inclusive, of the year 1932.

119. In recognition of the fact that the rates prescribed will affect the respondent firms severally and

not collectively, it is considered that the several experiences of more than 60 firms, occurring under conditions similar to those which may be expected to prevail when the rates have gone into effect, is more pertinent than would be the experiences of one firm over a number of past years, the circumstances and conditions of many of which long ago have ceased to exist. The audits so prepared were accepted by the respondents as constituting true reflections of the facts disclosed by their books and records of account for the periods covered, though they contended that some items of cost incurred in their business were not shown on their books.

120. From those audits, the Government's chief accountant prepared for the year 1929 a functional cost analysis on a unit basis; that is to say, the audits and auxiliary data indicated the allocation directly to each species of livestock of a large percentage of the total cost incurred by each respondent firm. The remaining cost, which could not be allocated directly was distributed by the accountant on what he considered appropriate bases.

121. He made a similar analysis covering the year 1931 and for that year also a further analysis, commonly called a "differential study," whereby he broke down the total cost per function and per species and distributed it over the various modes of arrival within each species for each particular firm, to the end that he might discover, for instance, how much it cost a particular firm to yard a hog arriving by motortruck as distinguished from the cost to the same firm for yarding a hog which came in by rail.

122. In preparation for both the first and the second hearing, the great majority of the respondents employed a trained and experienced accountant who

prepared for each of the years 1929 and 1931 analyses similar in purpose to those above described as having been made by the Government accountant, and based them on the same audits. At the first hearing the accountants for the Government and for the respondents, respectively, were in disagreement as to the bases to be used in making indirect allocations or distributions of costs, such as administrative and general expenses, but at the second hearing respondents' accountant, while not endorsing the bases employed by the Government's accountant, did not regard it as worth while to controvert them. In preparation for the third hearing no audit was made of the books of the individual respondents.

XIX. ITEMS ENTERING INTO COSTS

123. Each of the accountants, in making his analysis of the business of the respondents, established a classification of expenses and assigned to it certain items. The classifications are as follows:

GOVERNMENT ACCOUNTANT

Salaries:
- Selling and buying.
- Yarding.
- Business getting and maintaining.
- Office.
- Administrative.

Expenses: Yarding.

Office:
- Business getting and maintaining.
- Administrative and general.
- Risk.

Interest on following capital:
- Fixed assets (including exchange memberships).
- Working capital to cover: Operating expenses.

RESPONDENTS' ACCOUNTANT

Salaries and wages:
- Selling and buying.
- Yarding.
- Business getting and maintaining.

Salaries and wages—Con.
Office.
General supervision.
Expenses:
Yarding.
Selling and buying (horse expenses).
Office.
Business getting and maintaining.
Administrative and general.
Risk.
Commissions paid (split com.).[1]
Interest on following capital:
Fixed assets (including exchange memberships).
Working capital to cover: Operating expenses and handling sales and purchases.
Investment in methods and practices.

124. It will be observed that with respect to the items of cost, as distinguished from the method of arriving at the amounts of those items, the two accountants were in substantial agreement, except that respondents' accountant includes an item for interest on working capital necessary to handle sales and purchases, and he also includes an item of interest on capital invested in methods and practices. Neither of these items is covered by the classification made by the Government accountant. Hereinafter, in determining reasonable costs, an allowance is made to cover each and every item common to the classifications of the two accountants; also, similarly, an allowance is made to cover interest on working capital necessary in handling sales and purchases. The methods and practices, the value of which is contended for by respondents as an element of capital, are classified by their accountant under three heads—

[1] This item, "Commissions paid (Split Commissions)," is included by the Government accountant as a part of the item "Selling and Buying Salaries."

namely, (1) mailing lists and customer records; (2) office methods, systems, etc., and (3) yard methods and practices.

125. The mailing lists and customer records comprise principally all the names and addresses of those who have patronized and are believed to be still in position to patronize the respective respondent firms who keep the lists. To a lesser extent they contain some names and addresses of those who have not yet patronized the firm keeping the list. These data are acquired and recorded as a part of the normal and usual conduct of respondents' businesses. They are kept on a card or some similar form of record. Such records constitute a part of the property of the respective respondents who keep them. Therefore, their respective values, such as they may hereafter be found to be, are included as a part of respondents' invested capital.

126. The other matters listed as methods and practices constitute those common day-by-day routines used in the conduct of respondents' businesses, such, for instance, as the methods of yarding, sorting, selling, and weighing livestock in the yard and the practices of making out and transmitting account of sales tothe patrons, remitting the proceeds of sale, and keeping records and other similar matters in the office. Respondents' theory is that if no such routines had been used by anyone anywhere and respondents were compelled to employ persons to work them out, costs would be incurred in the discovery of them and further costs in the learning of them by respondents and their employees. Their accountant has arrived at some $66,000 as the total of such costs. These are apportioned among the various firms he represents. The respondents contend that the amounts appor-

tioned to their respective firms should be regarded for rate-making purposes as a part of the capital of such firms, interest on which, they say, should be included in the reasonable costs.

127. These items—namely, value of office methods and customs and value of yard methods and practices—are not included in respondents' capital, a return of which is coverable into reasonable rates. The reasons for not including them are as follows:

128. They, like the common routines of everyday life generally, while very useful and practically indispensable, are not the property of anyone. They freely may be adopted and used by any who care to do so without the payment of any price or remuneration to any of the respondents in this proceeding. Knowledge of them is a part of the qualifications of respondents' various classes of workers, whether they be owners or employees. They are, in general, learned while the worker is engaged upon and performing other duties for which he is being adequately compensated. When, hereinafter, an allowance is made to cover the salaries of yardmen, salesmen, office workers, etc., it is not contemplated that it would be just or reasonable to cover into the rates such salaries to be paid to men who were not acquainted with the common routines necessary in the performance of their work.

XX. REASONABLE UNIT COSTS PLUS REASONABLE UNIT PROFITS TO BE COVERED INTO REASONABLE COMMISSION RATES

129. There are more firms and a larger personnel on the Kansas City market than are necessary to dispose of shippers' livestock effectively. A smaller number of firms than are engaged could handle the

business more economically (T–1; 467, 524, 811–821, 5216 and T–2; 422, 455, 485, 772, 773). The Packers and Stockyards Act does not clothe the Secretary of Agriculture with authority to determine how many firms would be required to handle the business properly or what specific firms should be engaged in business or whether some firms are unwisely continuing in business. The Act directs him to prescribe reasonable rates. In order to do this some reasonable standard must be adopted. That adopted herein has already been stated in paragraph 114. In applying this standard it is necessary for the rate maker to inform himself with respect to whether each of the respondent firms is conducting its business economically to the end that the schedule of rates prescribed may not pass unnecessary expenses on to those who pay the rates.

130. Commission rate making is a matter of the exercise of well-informed judgment, guided by mathematical calculation. The importance of statistics and cost of operation of each of the respondents lies in the fact that they are a guide to judgment. In arriving at a reasonable allowance to cover the cost of separate functions, the experience of each firm is considered separately. The use of the mathematical average cost of all firms doing business, as a test of reasonableness of rates would carry into the rates, through the aggregate used in arriving at the average, all the unreasonable and extravagant expenditures, if any, incurred under the rates already in existence. Moreover, the unit costs of many of the firms are high because the volume of business coming to the market is divided among too many firms and handled by an unnecessarily large personnel. To consider as reasonable the average of the unit costs so incurred

would compel the maintenance, at the expense of the rate payer, of all who wish to engage in the business, even though the volume of business they can command be too small to warrant the organization necessary to handle it. In this connection, it is to be observed that while, for example, one salesman may be able to sell 30,000 head of cattle received by one firm, yet if the same volume be divided between two firms, two salesmen will be required. As a test of the reasonableness of rates, the adoption of the lowest costs incurred on account of the various items, by the most economically conducted firm would result in a schedule so low as manifestly to be unreasonable as to some firms of normal efficiency. The adoption of the highest costs on account of these items incurred by the least efficiently managed firms would result in a schedule so high as to be unfair to all shippers of livestock. This same situation obtains with respect to any functional item of expense incurred by any one firm. Since neither the average unit cost of all firms not the experience of the most efficient firms, nor that of the most inefficient firms, can be taken as a guide to the establishment of rates, some other method of analysis must be adopted.

131. In general, the expenses incurred by commission firms fall into two classes: first, those which the conditions of the business tend to hold down, and, second, those which the conditions tend to increase. In arriving at a reasonable cost to be covered into rates in the case of those functions, the expenses of which are automatically held down, the costs as actually incurred by each of the firms should be considered and the reasonable cost arrived at, giving due consideration to the circumstances under which each of the respondents operates. In case of those

costs which the conditions of the business tend to increase, such as the cost of salesmanship and the cost of advertising, expenses as actually incurred by any firm or by all of the firms do not furnish an adequate guide to the reasonableness of such cost. In arriving at a reasonable unit cost on account of these functions some additional procedure of approach has to be adopted. That used is discussed hereinafter in those paragraphs wherein the reasonable allowance is determined. The various functional unit items of cost, the findings as to the reasonable allowance for the various functions, and the reasoning employed in arriving at the findings are set forth in the following paragraphs:

131a. Consideration has been given to the unit cost determinations prepared by the accountant for the Government and those employed by the respondents. These studies are informative but cannot be accepted as conclusive as to the unit cost to be used here in arriving at reasonable unit cost. They were prepared in anticipation of the hearing in these cases. Upon consideration of the evidence in the case relating to the operating conditions of the business of the respondents, it is found that the unit cost determination should be adjusted. The differential cost study prepared by the Government accountant was based upon the various categories of business as recognized in Tariff No. 2, the structure of which was radically different from the tariff which the respondents filed to become effective on May 23, 1932. Consequently, the unit cost figures in that study cannot be used here. In the preparation of functional cost study the Government accountant distributed the time of employees upon the basis of

a questionnaire, a copy of which was given to some officer or employee of each firm for the purpose of having a distribution made of each individual's time to the different functions. While each owner and employee has a rather definite function to perform in connection with the firm, he frequently assists in the performance of other duties when he is not engaged in his regular activities. For example, a salesman may assist a yardman early in the morning before the selling of livestock begins or a yardman may on occasions sell a few head of livestock. In furnishing the information called for in the questionnaire, the percentage of time devoted to those different functions was estimated and accordingly the accountant for the Government allocated a proportionate part of the salaries to the various functions. In view of the nature of the business, a certain degree of flexibility prevails with respect to the hours of work of owners and employees in the conduct of this business. A salesman as a part of his regular duties may do some yard work and some office work. Usually he does some soliciting at times when he is not regularly engaged in his duties at the market. These are functions which are recognized as being incidental to his main function of salesmanship. Under such circumstances, the attempt to allocate his time tends to distort the picture with respect to functional unit cost. It is found that the unit cost figures to be used in making a determination of reasonable unit cost should be based upon the classification of the yarding and office salaries according to the main duty performed by each class of employees.

Salesmanship

132. An important item to be included in reasonable unit costs is a reasonable amount for salesmanship. This function is performed on the Kansas City market by owners of market agencies and by salesmen employed by them on a salary basis. Each of the accountants found unit costs of this item per species of livestock and also according to the respective modes of arrival.

133. Inasmuch as the selling and buying of livestock requires greater skill and judgment than the performance of any other of respondent's functional activities, with the possible exception of management, the proportion of owners as distinguished from employees, engaged in this activity is large. In some firms such owners agreed upon salaries which should be set up on the books for each and paid, if the net result of operations made it possible so to do. In others the owners had merely drawing accounts with division of net owner incomes at the end of a year or some other accounting period. In still others the owners merely divided whatever net owner income happened to arise from the operation. By "net owner income" is meant moneys arising from the operation of the business and available for the personal use of the respective owners, regardless of whether it be considered as compensation for services rendered or profits arising from the ownership of the business or a combination of the two.

134. While the accountant for the Government used, in ascertaining the unit costs of salesmanship, the salaries, drawing accounts, and profits of owner salesmen, as well as the salaries of those who were employed, he neither attempted to pass upon the

reasonableness of such salaries, drawing accounts, or profits of the owner-salesmen nor recommended the inclusion of those of the owners in the costs which are to be used as the basis of reasonable rates. In this proceeding it is not contended by anyone that these owner salaries, drawing accounts, or profits should be used as an element of costs. When, however, they are eliminated, and nothing substituted, it causes the salesmanship costs of so many firms to appear extremely low or be absent altogether that no fair normal can be garnered from the unit costs of the remaining firms for this item. In these circumstances the question becomes one of determining the amounts to be substituted. The record in this proceeding suggests alternative methods. The respondents contend that there should be substituted an amount representing the personal value of each owner-worker as appraised by a committee selected by the respondents. Government counsel argues that the unit cost of salesmanship should be ascertained by relating a reasonable annual salary for a salesman to a reasonable year's performance expressed in terms of the units sold, that is, carloads or head, as the case may be, as was done in Docket 143, the Omaha commission rate case (See *Tagg Bros. and Moorhead* v. *U. S.*, 280 U. S. 420), and in every commission rate order issued by the Secretary of Agriculture since that time.

135. In preparation for a hearing in 1929 and again prior to that of 1931, the respondents had an appraisal of the owner-workers made by a committee. The committee which made the appraisal in 1929 consisted of six members, and that making the one of 1931 of eight members. These committees had before them the following classes of information: enter-

prise with which connected; office held or position occupied; number of active copartners; proportion of personal time involved; manner in which such time employed and proportion devoted to various activities; term of experience in livestock commission business; term of experience in livestock industry; commissions earned by the enterprise; cash value of sales and purchases made to earn such commissions; and, the number of head of livestock handled by species and in total. These committees did not possess any peculiar qualifications for making this appraisal. Even if the appraisal of services such as these could be considered as a matter determinable by expert opinion, any generally well informed citizen with the information at his disposal which the committees had before them could make an appraisal as trustworthy as those made by the committees. The performance method urged by Government counsel places no limit, either by way of maximum or minimum, upon the amount of annual compensation which an owner-salesman may earn. It finds a reasonable compensation to the respondents for the performance of a unit of salesmanship, whether it be done by owner or employee, and leaves the firm in position to expand or contract its revenue as it proves successful or unsuccessful in multiplying the units of salesmanship performed. It is found that the associating and the relating of a reasonable year's sales performance with a reasonable year's compensation for the selling done results in a unit cost on account of selling which it is reasonable to cover into rates on account of this function.

136. The record in this case contains all the information which the committees had before them and in addition many other facts pertinent to the deter-

mination of the cost of such services as are performed by owners, among which are the prices at which services such as those rendered by the owners are being bought and sold for on an open, competitive market. Such prices are the test generally regarded as proper measures. The record contains some facts which furnish a partial test of the appraisals. Some of the owners whose services in their respective businesses were appraised by the committee in 1929 later became employees on a salary basis at figures much below those at which their services were appraised.

137. The evidence shows that an important element influencing the value placed by these committees upon the services of owners was the business drawing power of the owners. These appraisals include also elements on account of risk bearing and executive functions exercised by the owners. All these elements are considered elsewhere and a reasonable allowance made for them in the determination of reasonable unit costs. (See Paragraphs infra 150, 155, 159, 163.)

137. Since neither owners' salaries, as set up on the books, nor the appraised value of owners' services can be accepted as determinative of the unit costs of salesmanship, some other method must be adopted. That here used is the ascertainment of what the salesmen's services are selling for and relating these to what, according to the record, constitutes a reasonable year's work. The salesmanship to be provided for in this order contemplates that it will be of high character, whether performed by owners or by salesmen employed by them. The shipper is entitled to have his livestock sold by the most efficient and competent salesmen available on

the market. Such salesmen, whether owners or employees, are entitled to receive a fair reward for their ability and services. An owner, while entitled to reasonable remuneration for management and the assumption of risk, which are ordinarily referred to as profit, is not entitled merely because he is an owner to more for the act of selling livestock than it would cost to employ some other equally efficient salesman to perform the selling service.

139. The record contains the number of employed salesmen on the yards in 1929 and in 1931, together with the salaries they drew. There were in 1929, 123 employed cattle salesmen, 42 employed hog salesmen, and 11 employed sheep salesmen on the Kansas City Market. In 1931 there were 134 employed cattle salesmen, 45 employed hog salesmen, and 14 employed sheep salesmen. Of the salesmen employed in 1929 there were 21 cattle salesmen and 3 hog salesmen who were employed for only a part of the year. In 1931 there were 35 cattle salesmen, 12 hog salesmen, and 2 sheep salesmen who were employed for only a part of that year. The following table shows by salary range the number of salesmen of the various species in the two years and the salary grades into which they fall, the salaries of part-time employees being equated on an annual basis:

	1929	1931
Cattle salesmen:		
Number receiving—		
$6,000 or more	6	4
$5,000 to $6,000	3	4
$4,000 to $5,000	13	9
$3,000 to $4,000	37	32
$2,000 to $3,000	32	51
Less than $2,000	32	34
Total	123	134
Hog salesmen:		
Number receiving—		
$9,300	1	None
$8,800	None	1
$5,095	None	1
$4,000 to $5,000	2	1
$3,000 to $4,000	10	4
$2,000 to $3,000	16	20
Under $2,000	13	18
Total	42	45
Sheep salesmen:		
Number receiving—		
$7,000	1	1
$4,970	1	None
$4,887	None	1
$4,800	1	None
$3,000 to $4,000	4	2
$2,000 to $3,000	3	6
Under $2,000	1	4
Total	11	14

The record does not show the salaries received in 1937 by all employed salesmen. It does show, however, the salaries of those who were employed in 1937 by the same firm as in 1931, all salaries being equated to an annual basis (Respondent's Exhibit A–13). A comparison of the salaries drawn in 1937 with those drawn by the same individuals in 1931 is as follows:

Cattle								Hogs		Sheep	
Salesmen		Buyers		Buyers and salesmen		Salesmen and managers		Salesmen		Salesmen	
1931	1937	1931	1937	1931	1937	1931	1937	1931	1937	1931	1937
$1,800	$1,200	$2,220	$1,295	$1,800	$896	$12,000	$8,262	$2,400	$1,018	$7,000	$4,824
3,315	1,692	1,500	442	2,700	2,040	.....	.....	1,200	1,200	1,920	1,885
1,500	1,511	3,167	1,650	2,100	2,396	.....	.....	2,200	1,080	4,888	4,810
1,445	1,151	5,760	4,266	.....	.....	.....	.....	4,750	1,250	2,013	2,410
2,400	1,467	5,760	3,966	.....	.....	.....	.....	2,900	1,800	.....	.....
2,100	1,500	2,300	1,450	.....	.....	.....	.....	1,200	720	.....	.....
2,400	2,100	4,025	2,410	.....	.....	.....	.....	2,100	1,400	.....	.....
4,200	3,000	2,750	1,691	.....	.....	.....	.....	2,160	1,920	.....	.....
2,100	1,400	3,039	2,079	.....	.....	.....	.....	400	1,800	.....	.....
1,380	1,000	.....	.....	.....	.....	.....	.....	2,990	1,978	.....	.....
8,500	5,856	.....	.....	.....	.....	.....	.....	2,812	1,318	.....	.....
6,000	4,134	.....	.....	.....	.....	.....	.....	1,350	840	.....	.....
3,600	1,725	.....	.....	.....	.....	.....	.....	2,100	2,342	.....	.....
1,800	1,875	.....	.....	.....	.....	.....	.....	2,500	1,500	.....	.....
2,200	2,400	.....	.....	.....	.....	.....	.....	2,325	540	.....	.....
7,188	9,790	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3,450	1,930	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4,002	4,610	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
2,263	2,280	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3,000	2,846	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3,000	1,916	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1,800	2,040	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3,353	4,200	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
2,500	1,800	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
2,233	1,980	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1,900	1,650	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

In order to earn these salaries the employed salesmen performed actual selling and handling livestock in the yards, and spent time in the country doing appraisal and publicity work. The record does not show for employed salesmen the amount of work done by any individual. The average number of head per salesman sold during the course of the year by the salesmen of a firm does not furnish a measure of the ability or the capacity of any individual salesman. The record contains opinions of salesmen as to what they consider a reasonable year's work on the Kansas City market where there are seasonal variations in the receipts of livestock and

where the days of heaviest receipts come during the early part of the week.

140. A salesman employed by one of the respondents testified that a good salesman should sell 1,500 cars of cattle in a year. Another witness employed by a respondent stated that a good salesman can sell, well, as much as 2,000 cars per year. Another, a respondent, stated that a butcher salesman could sell 1,500 cars of butcher stuff in a year, and should be able to sell that many cars of steers. He stated also that a hog salesman should sell more than 1,500 cars of hogs, and that a sheep salesman should sell from 1,500 to 2,000 cars of sheep. On one day during the first hearing a salesman who is a member of one of the respondent firms sold about 30 cars of cattle, most of which had been carried over from the previous day on account of an unsatisfactory market. It is the opinion of some of the salesmen that they could sell more livestock than they do sell if they had the opportunity to exercise fully their selling ability.

140a. The various salesmen of the respondent firms do not keep a record of the number of head of livestock sold by them individually. In the case of a few firms only one salesman is employed to handle a given species. However, there is no method whereby it may be determined whether such a salesman handles all livestock of a given species for his firm, since one salesman frequently assists another salesman who may find it necessary to be absent from the market. The approximate average salesmanship performance for each firm can be ascertained. The performance per salesman in 1929 ranged from 3,149 head to 24,912 head as to cattle and calves, from 10,429 head to 156,158 head as to hogs, and from

44,001 head to 245,746 head as to sheep. In determining salesmanship performance in 1931 the accountant for the Government eliminated that portion of a salesman's time which according to the questionnaire was not spent in the actual selling and buying of livestock. He computed the performance upon the basis of carload equivalents and combined the salesmen and the buyers in making his computation. According to this method of calculation, the performance per salesman varied from 96 cars to 1,415 cars as to cattle and calves, from 120 cars to 3,820 cars as to hogs, and from 268 cars to 1,759 cars as to sheep. In Appendix B of the respondents' brief filed in the Supreme Court and made a part of their exceptions to the Tentative Findings of Fact and Proposed Order, they have computed average salesmanship performance for 32 of the largest firms. According to their method of calculation, the actual salesmanship performance of these firms varied in 1931 from 7,670 head to 23,866 head as to cattle and calves, from 3,262 head to 75,403 head as to hogs, and from 36,575 head to 295,514 head as to sheep. The performance of cattle buyers was separately computed and shown to range from 4,605 head to 33,983 head. The result reached in these computations will vary to some extent depending upon the classification of some salesmen and buyers whose actual activity as salesmen or buyers is limited in comparison with other functions performed. The evidence also shows that some salesmen act as buyers in addition to their regular salesmanship duties.

140b. The evidence in this case shows that the business is divided among more market agencies than are necessary for the efficient conduct of the marketing operations. In view of that fact the actual per-

formance of salesmen cannot be used exclusively as a guide in determining reasonable salesmanship performance. It is concluded that the facts with respect to actual salesmanship performance along with all other facts of record bearing upon the operation of the respondents in the actual buying and selling of livestock and the opinions of those engaged in the business as to the volume which a salesman normally could handle under the conditions as they exist at the market should be given consideration in arriving at a determination of the reasonable unit cost of salesmanship.

141. The number of animals per straight car received by the various respondents varies somewhat according to the character of the business done, but the normal and usual number of head of cattle contained in a straight car is approximately 28 head, calves 57 head, hogs 75 head, and sheep 250 head.

142. Giving due consideration to the conditions under which salesmanship is performed on the Kansas City market, the volume of livestock handled by the respective firms, and the estimates of salesmen as to what constitutes a reasonable year's work, it would be reasonable to expect a good and experienced cattle salesman to sell in a year from 27,000 to 32,000 head of animals of the bovine species as they arrive at the Kansas City stockyard; a good hog salesman to sell from 75,000 to 100,000 head of hogs in a year; and a good sheep salesman to sell from 240,000 to 275,000 head of sheep in a year.

143. In order to arrive at a reasonable per-head cost of salesmanship it is necessary to associate with a reasonable year's selling a reasonable year's salary for doing that selling. On the basis of all the facts

of record relative to the compensation for selling it is found that a $4,000 salary should be associated with a reasonable year's selling for a cattle salesman; that a $3,000 salary should be associated with a reasonable year's selling for a hog salesman; and that a $3,500 salary should be associated with a reasonable year's selling for a sheep salesman. For purposes of arriving at a reasonable per-head cost of salesmanship the selling of 29,000 head of cattle and calves has been associated with a salary of $4,000; the selling of 85,000 head of hogs has been associated with a $3,000 salary; and the selling of 250,000 head of sheep has been associated with a $3,500 salary. On the basis of all the facts in the record it is found that the following constitute and are reasonable per-head costs to be covered into rates on account of salesmanship:

Cattle and calves	$0.1379
Hogs	.0353
Sheep	.0140

144. The per-head costs incident to yarding salaries on account of each species irrespective of method of arrival, computed in the case of each respondent on the basis explained in paragraph 131–a, are set forth in the following tables:

CATTLE AND CALVES

	Number of head	Yarding salaries		Number of head	Yarding salaries
Firm No.:			Firm No.:		
66	3,656	$0.0064	16	26,673	$0.0699
34	52,225	.0129	14	42,094	.0706
67	454	.0140	12	67,947	.0711
79	11,360	.0278	26	30,383	.0719
83	122,107	.0279	65	40,303	.0720
15	14,983	.0311	63	128,888	.0721
9	3,113	.0388	75	25,113	.0746
87	991	.0395	10	119,514	.0781
35	61,658	.0400	59	164,569	.0784
30	23,436	.0425	20	32,320	.0811
54	185,312	.0481	71	62,038	.0818
61	10,731	.0489	6	15,841	.0830
37	7,122	.0490	25	53,312	.0840
53	24,558	.0496	51	22,495	.0849
70	32,967	.0517	29	25,581	.0880
73	79,012	.0531	4	35,763	.0895
56	34,058	.0535	82	110,449	.1015
42	67,492	.0565	36	86,051	.1023
60	19,205	.0584	84	67,609	.1044
46	157,432	.0619	19	12,570	.1112
74	8,750	.0621	78	10,819	.1139
52	21,600	.0642	72	2,397	.1206
18	59,107	.0650	77	23,436	.1230
48	42,359	.0665	13	63,945	.1285
62	31,539	.0666	7	15,790	.1353
55	61,113	.0676	17	11,336	.1399
23	34,942	.0682	76	9,619	.1635
33	1,479	.0695	11	1,878	.2130

HOGS

Firm No.:			Firm No.:		
82	30,135	$0.059	71	20,323	$0.0267
29	12,619	.0069	62	15,810	.0284
67	6,015	.0081	83	4,078	.0287
34	16,312	.0112	56	8,191	.0290
78	4,738	.0136	65	7,619	.0299
66	737	.0151	17	6,872	.0300
70	13,628	.0185	10	96,653	.0305
48	5,952	.0195	4	9,552	.0309
59	70,554	.0196	46	33,474	.0316
52	6,196	.0197	37	35	.0329
18	11,653	.0207	26	20,321	.0332
84	2,364	.0207	79	2,969	.0355
77	10,192	.0218	75	5,134	.0358
61	9,679	.0222	16	8,498	.0357
87	399	.0228	36	147,922	.0364
6	8,168	.0228	7	41,090	.0366
42	11,442	.0230	51	169,184	.0367
20	3,727	.0235	30	3,459	.0396
76	8,629	.0263	12	28,132	.0400
63	150,806	.0263	35	12,017	.0421

HOGS—Continued

	Number of head	Yarding salaries		Number of head	Yarding salaries
Firm No.:			Firm No.:		
13	40,816	.0439	11	2,990	$0.0710
73	34,425	.0507	60	21,164	.0721
15	20,743	.0509	55	21,227	.0760
9	19,051	.0601	14	27,819	.1112
54	27,122	.3632	53	18,764	.1241
25	19,201	.0641			

SHEEP

Firm No.:			Firm No.:		
43	140,481	$0.0030	1	43,274	$0.0051
54	591,028	.0034	5	209,206	.0066
35	44,036	.0041	87	96,975	.0093
63	43,350	.0051	59	205,441	.0097
36	36,575	.0065	61	991	.0105
44	267,391	.0073	10	94,843	.0156

On the basis of the foregoing and of the general information contained in the record, it is found that the reasonable and normal costs to be covered into rates on account of yarding salaries are as follows:

$0.075 per head as to cattle and calves.
$0.030 per head as to hogs.
$0.008 per head as to sheep.

Yarding expenses

145. The per-head cost of yarding expenses on account of each species is as follows:

CATTLE AND CALVES

	Number of head	Yarding expenses		Number of head	Yarding expenses
Firm No.:			Firm No.:		
61	10,731	$0.0003	20	32,220	$0.0110
37	2,122	.0009	94	67,609	.0114
6	15,841	.0014	77	23,436	.0116
15	14,983	.0026	55	61,113	.0116
75	10,819	.0028	53	28,558	.0121
16	26,673	.0040	17	11,336	.0124
34	52,225	.0045	10	119,514	.0125
88	2,997	.0051	26	30,383	.0127
30	23,436	.0054	36	86,051	.0128
33	1,479	.0054	18	59,107	.0129
56	34,058	.0075	51	22,495	.0133
84	185,312	.0078	25	53,312	.0135
82	110,449	.0080	14	42,094	.0143
13	68,945	.0082	83	122,107	.0146
75	25,113	.0082	29	25,581	.0150
7	15,790	.0084	52	21,690	.0151
46	157,432	.0084	48	42,359	.0154
70	38,967	.0090	23	34,943	.0158
12	67,947	.0093	42	67,492	.0159
65	40,303	.0095	74	8,750	.0169
4	35,763	.0096	63	128,888	.0172
35	61,658	.0100	60	19,205	.0173
62	31,539	.0103	71	62,038	.0181
73	79,012	.0104	19	12,570	.0202
59	184,860	.0105			

HOGS

Firm No.:			Firm No.:		
14	27,819	$0.0001	10	96,653	.0004
48	5,952	.0001	52	6,196	.0005
54	27,122	.0001	35	19,201	.0006
61	9,679	.0001	38	12,017	.0006
83	4,078	.0001	77	10,192	.0006
38	147,922	.0001	78	4,738	.0006
4	9,552	.0002	62	15,810	.0007
6	8,166	.0002	73	34,423	.0007
7	41,090	.0002	15	20,743	.0009
18	11,653	.0002	75	5,134	.0010
34	16,312	.0002	79	2,960	.0010
55	21,227	.0002	26	20,321	.0010
59	70,554	.0002	30	3,499	.0011
63	150,806	.0002	71	20,323	.0012
46	33,474	.0003	29	12,519	.0012
82	30,135	.0003	23	1,536	.0013
13	40,816	.0004	42	11,442	.0014
20	3,727	.0004	17	6,572	.0015
51	150,184	.0004	88	240	.0045
53	18,764	.0004	65	7,619	.0058
60	21,164	.0004			

SHEEP

	Number of head	Yarding expenses		Number of head	Yarding expenses
Firm No.:			Firm No.:		
18	3,157	$0.0001	60	753	$0.0003
46	7,795	.0001	82	2,007	.0003
63	43,330	.0001	53	733	.0005
73	4,035	.0001	75	2,487	.0005
36	36,575	.0001	77	1,635	.0005
13	5,688	.0002	78	3,432	.0005
35	44,036	.0002	15	3,854	.0006
55	3,685	.0002	17	756	.0006
83	2,380	.0002	26	2,657	.0007
6	1,220	.0003	29	734	.0007
20	872	.0003	71	1,414	.0011
25	3,676	.0003	30	533	.0046
51	6,942	.0003	42	1,460	.0130
52	4,320	.0003	65	2,184	.0131

On the basis of the foregoing and of the general information contained in the record, it is found that the reasonable and normal costs to be covered into rates on account of yarding expenses are as follows:

$0.014 per head as to cattle and calves.
$0.0060 per head as to hogs.
$0.0004 per head as to sheep.

Office salaries

146. The per head cost on account of office salaries allocated to each of the species is as follows:

CATTLE AND CALVES

	Number of head	Office salaries		Number of head	Office salaries
Firm No.:			Firm No.:		
6	15,841	$0.0010	46	157,432	$0.0550
17	11,336	.0143	54	185,312	.0558
83	122,107	.0203	75	25,113	.0567
71	62,038	.0206	76	9,619	.0570
14	42,094	.0217	73	79,012	.0575
34	52,225	.0239	20	32,320	.0628
35	61,658	.0240	52	21,690	.0629
42	67,492	.0256	7	15,790	.0631
53	28,558	.0330	78	10,819	.0656
13	63,945	.0282	61	10,731	.0692
63	128,888	.0367	23	34,942	.0693
82	110,449	.0372	29	25,581	.0707
10	119,514	.0396	70	38,967	.0730
62	31,539	.0396	25	53,312	.0734
30	23,436	.0414	56	34,058	.0810
55	61,113	.0441	65	40,303	.0879
77	23,436	.0442	74	8,750	.1002
26	30,383	.0447	51	22,495	.1150
60	19,205	.0449	19	12,570	.1192
12	67,947	.0450	11	1,878	.1195
59	161,860	.0458	33	1,479	.1385
18	59,107	.0460	9	3,113	.1472
79	11,360	.0484	37	2,122	.1567
48	42,359	.0492	66	3,656	.1629
36	86,051	.0518	72	2,397	.1784
4	35,763	.0525	67	454	.1821
15	14,963	.0529	88	2,897	.1955
84	67,609	.0534	87	991	.2117
16	26,673	.0544			

HOGS

Firm No.:			Firm No.:		
6	8,168	$0.0004	65	7,619	$0.0384
17	6,872	.0076	11	2,990	.0395
34	16,312	.0115	20	3,727	.0403
14	27,819	.0117	46	33,474	.0423
61	9,679	.0146	16	8,498	.0451
71	20,322	.0152	75	5,134	.0503
53	18,764	.0181	23	1,536	.0505
42	11,442	.0189	51	159,184	.0229
63	150,806	.0194	73	34,425	.0231
77	10,192	.0195	4	2,552	.0232
13	40,816	.0198	76	8,629	.0232
79	2,960	.0209	7	41,090	.0233
15	20,743	.0210	57	21,164	.0238
35	12,017	.0214	78	21,227	.0253
10	96,653	.0313	18	11,653	.0269
83	6,196	.0319	36	147,922	.0262
78	4,738	.0322	62	15,810	.0266
70	13,628	.0336	82	30,135	.0270
59	70,554	.0339	48	5,952	.0278
67	6,015	.0365	26	20,321	.0292
12	28,132	.0366	29	12,619	.0300

HOGS

	Number of head	Office salaries		Number of head	Office salaries
Firm No.:			Firm No.:		
54	27,122	$0.0514	74	2,364	$0.0685
30	3,489	.0518	37	35	.0874
33	1,020	.0537	56	8,191	.0933
84	11,944	.0553	72	1,077	.0970
19	4,497	.0579	87	390	.1030
9	19,051	.0585	66	737	.1480
25	19,201	.0604	88	249	.2100
83	4,078	.0614			

SHEEP

Firm No.:			Firm No.:		
6	1,220	$0.0005	52	4,320	$0.0189
1	43,274	.0013	36	36,575	.0191
17	756	.0042	51	6,942	.0194
59	205,441	.0044	65	2,184	.0195
44	267,391	.0055	16	1,570	.0199
54	591,028	.0059	23	862	.0201
84	150,283	.0067	55	3,685	.0204
35	44,036	.0068	12	3,439	.0206
14	7,365	.0071	62	3,065	.0212
79	2,273	.0074	7	1,295	.0232
18	3,157	.0078	46	7,795	.0264
4	1,896	.0095	78	3,432	.0283
87	96,975	.0102	60	753	.0284
43	140,481	.0105	82	2,007	.0284
5	209,208	.0108	20	872	.0291
83	2,380	.0110	25	3,676	.0316
10	94,843	.0113	34	190	.0341
76	1,553	.0115	70	2,507	.0346
63	43,330	.0131	29	734	.0374
15	3,854	.0135	67	580	.0388
73	4,035	.0135	48	430	.0395
77	1,635	.0149	10	1,252	.0449
42	1,460	.0158	11	175	.0490
56	4,924	.0158	74	333	.0530
13	5,686	.0162	33	805	.0676
61	991	.0165	30	533	.0689
71	1,414	.0172	37	321	.0757
53	733	.0178	9	598	.0796
75	2,487	.0181	66	283	.1609
26	2,657	.0185	72	45	.1764

On the basis of the foregoing and of the general information contained in the record, it is found that

the reasonable and normal costs to be covered into rates on account of office salaries are as follows:

$0.0525 per head as to cattle and calves.
$0.0300 per head as to hogs.
$0.0100 per head as to sheep.

Office expenses

147. The per-head cost on account of office expenses allocated to each of the species is as follows:

CATTLE AND CALVES

	Number of head	Office expenses		Number of head	Office expenses
Firm No.:			Firm No.:		
88	2,897	$0.0016	26	30,383	$0.0328
37	2,122	.0017	78	10,819	.0328
72	2,397	.0091	46	157,432	.0331
84	67,609	.0138	61	10,731	.0345
16	26,673	.0147	70	38,967	.0360
76	9,619	.0158	77	23,436	.0366
4	35,763	.0163	75	25,113	.0371
59	164,860	.0186	71	62,038	.0379
67	434	.0190	34	52,225	.0401
23	34,942	.0214	30	23,436	.0402
12	67,947	.0217	15	14,983	.0411
54	185,312	.0219	73	79,012	.0419
7	15,790	.0222	35	61,653	.0429
18	50,107	.0232	62	31,539	.0430
42	67,492	.0236	6	15,841	.0434
83	122,107	.0236	82	110,449	.0443
36	36,051	.0238	60	19,205	.0447
52	21,690	.0251	19	12,570	.0455
56	34,058	.0269	79	11,360	.0456
33	1,479	.0272	14	42,094	.0458
65	40,303	.0279	20	32,320	.0461
10	119,514	.0290	13	63,945	.0493
48	42,359	.0291	11	1,878	.0538
17	11,336	.0292	74	8,750	.0543
63	128,888	.0292	29	25,581	.0546
57	28,558	.0301	51	22,495	.0573
25	53,312	.0302	87	991	.1042
55	61,113	.0313	9	3,113	.1947

HOGS

	Number of head	Office expenses		Number of head	Office expenses
Firm No.:			Firm No.;		
37	35	$0.0011	42	11,442	$0.0175
58	249	.0016	12	28,132	.0176
67	6,015	.0038	11	2,990	.0178
76	8,629	.0048	55	21,227	.0179
72	1,077	.0049	6	8,166	.0179
61	9,679	.0073	34	16,312	.0193
4	9,552	.0073	79	2,969	.0198
7	41,090	.0082	54	27,122	.0202
33	1,660	.0106	26	20,321	.0215
51	150,184	.0114	19	4,497	.0220
36	149,022	.0121	10	96,653	.0229
65	7,619	.0121	60	21,164	.0237
16	8,498	.0122	29	12,619	.0239
52	6,196	.0127	14	27,819	.0244
18	11,653	.0130	25	19,201	.0249
53	4,078	.0131	46	33,474	.0255
59	70,554	.0137	13	40,816	.0256
84	11,944	.0142	71	20,323	.0280
63	150,806	.0147	62	15,810	.0288
17	6,872	.0154	20	3,727	.0295
23	1,536	.0157	56	8,191	.0310
77	16,192	.0162	82	30,135	.0311
78	4,738	.0162	75	5,134	.0330
15	20,743	.0163	74	2,364	.0373
48	5,952	.0164	35	12,017	.0382
53	18,764	.0165	87	399	.0502
70	13,628	.0165	30	3,499	.0503
73	34,425	.0166	9	19,051	.0774

SHEEP

Firm No.:			Firm No.;		
37	321	$0.0008	7	1,295	$0.0081
84	150,283	.0017	76	1,553	.0086
59	205,441	.0018	72	45	.0089
54	591,028	.0023	51	6,942	.0096
4	1,806	.0031	73	4,035	.0097
76	1,553	.0032	12	3,430	.0099
18	3,157	.0039	63	43,330	.0099
67	580	.0041	15	3,854	.0103
43	140,481	.0042	70	2,487	.0118
37	96,975	.0050	77	1,633	.0121
5	209,208	.0053	35	44,036	.0123
56	4,924	.0053	83	2,380	.0125
16	1,570	.0055	25	3,676	.0128
44	267,391	.0055	33	808	.0133
65	2,184	.0062	26	2,657	.0138
23	862	.0063	78	3,432	.0140
79	2,273	.0070	55	3,683	.0147
52	4,320	.0076	14	7,365	.0147
17	756	.0082	42	1,460	.0149
61	991	.0082	46	7,795	.0159
10	94,643	.0083	53	733	.0161

SHEEP—Continued

	Number of head	Office expenses		Number of head	Office expenses
Firm No.:			Firm No.:		
19	1,282	$0.0171	60	753	$0.0275
70	2,507	.0173	74	333	.0275
1	43,274	.0181	29	734	.0289
6	1,220	.0211	71	1,414	.0314
13	5,668	.0213	82	2,007	.0323
11	175	.0217	34	190	.0574
48	430	.0218	70	533	.0671
20	872	.0223	9	598	.1039
62	3,065	.0234			

On the basis of the foregoing and of the general information contained in the record, it is found that the reasonable and normal costs to be covered into rates on account of office expenses are as follows:

$0.0300 per head as to cattle and calves.
$0.0175 per head as to hogs.
$0.0050 per head as to sheep.

Business getting and maintaining expenses

148. The expenses included under this heading cover advertising, travel, auto operation, miscellaneous entertaining, and exchange dues and assessments. The per head cost on account of business getting and maintaining expenses allocated to each of the species is as follows:

CATTLE AND CALVES

	Number of head	Business getting and maintaining expenses		Number of head	Business getting and maintaining expenses
Firm No.:			Firm No.:		
76	9,619	$0.0088	75	25,113	$0.0656
66	3,656	.0107	6	15,841	.0672
67	454	.0170	83	123,107	.0677
15	14,963	.0219	34	83,226	.0699
37	2,122	.0220	13	63,945	.0714
72	2,397	.0241	84	67,609	.0724
9	3,113	.0264	59	164,860	.0732
56	34,058	.0371	25	3,312	.0735
65	40,303	.0371	74	8,750	.0750
61	10,731	.0377	71	62,038	.0756
23	34,942	.0399	52	21,690	.0763
29	25,581	.0455	20	32,320	.0797
17	11,336	.0474	14	42,094	.0780
60	19,205	.0489	82	110,449	.0819
48	42,359	.0508	26	30,383	.0873
7	15,790	.0519	12	67,947	.0884
16	26,673	.0520	54	185,312	.0924
33	1,479	.0540	19	12,570	.0974
79	11,360	.0540	73	79,012	.1057
51	22,495	.0543	42	67,492	.1112
36	86,051	.0576	70	38,967	.1149
30	23,436	.0581	35	61,658	.1186
87	991	.0599	4	85,763	.1232
55	61,113	.0612	63	128,888	.1262
18	59,107	.0628	53	28,556	.1346
77	23,436	.0632	10	119,514	.1448
78	10,819	.0639	62	31,539	.1655
46	157,422	.0647	88	2,807	.2783

HOGS

Firm No.:			Firm No.:		
76	8,629	$0.0022	36	147,922	$0.0238
66	737	.0060	33	1,660	.0240
67	6,015	.0062	79	2,969	.0251
9	19,051	.0082	18	11,653	.0252
72	1,077	.0104	84	11,944	.0255
15	20,743	.0108	51	150,184	.0259
20	3,727	.0130	70	13,626	.0260
56	8,191	.0142	14	27,819	.0261
37	35	.0157	77	10,192	.0262
48	5,952	.0161	30	3,499	.0265
61	9,679	.0161	7	41,090	.0267
65	7,619	.0163	83	4,078	.0268
59	70,554	.0164	34	16,312	.0272
87	399	.0184	75	5,134	.0277
29	12,619	.0191	25	19,201	.0292
78	4,738	.0191	6	8,168	.0302
16	8,498	.0235	54	27,122	.0302
17	6,672	.0238	23	1,832	.0309
60	21,164	.0238	46	33,474	.0321

HOGS—Continued

	Number of head	Business getting and maintaining expenses		Number of head	Business getting and maintaining expenses
Firm No.:			Firm No.:		
71	20,323	$0.0324	63	150,806	$0.0410
19	4,497	.0327	26	20,321	.0421
13	40,816	.0340	73	34,425	.0467
55	21,227	.0344	53	18,754	.0490
74	2,364	.0344	10	96,653	.0535
4	9,552	.0353	42	11,442	.0541
52	6,196	.0373	35	12,017	.0546
12	28,132	.0393	62	15,810	.0773
82	30,135	.0394	88	249	.1834

SHEEP

Firm No.:			Firm No.:		
76	1,553	$0.0017	83	2,380	$0.0199
66	283	.0055	29	734	.0204
56	4,924	.0058	12	3,439	.0206
15	3,854	.0066	44	267,391	.0208
67	560	.0070	25	3,676	.0211
84	150,283	.0081	33	805	.0216
20	872	.0091	60	753	.0217
73	4,035	.0092	70	2,507	.0219
65	2,184	.0093	51	6,942	.0229
87	96,975	.0094	59	205,441	.0234
72	45	.0104	14	7,365	.0236
18	3,157	.0111	7	1,295	.0238
9	598	.0111	30	533	.0241
1	43,274	.0116	10	94,843	.0246
16	1,570	.0129	13	5,688	.0248
58	3,685	.0131	19	1,252	.0254
48	430	.0140	82	4,320	.0262
54	591,028	.0140	71	1,414	.0263
79	2,273	.0141	35	44,036	.0269
37	321	.0142	74	333	.0273
75	2,487	.0155	6	1,220	.0279
23	862	.0158	63	43,330	.0283
4	1,896	.0163	82	2,007	.0305
46	7,795	.0173	26	2,657	.0317
17	756	.0181	43	140,481	.0323
36	36,575	.0181	53	733	.0353
5	209,208	.0194	42	1,460	.0399
61	991	.0195	34	190	.0429
77	1,635	.0195	62	3,065	.0651
78	3,432	.0199			

The testimony in the third hearing does not show by firms the amount expended by each on account of business getting and maintaining. It does show, however, the aggregate amount expended each year by the firms operating on the Kansas City market on account of advertising, travel, and entertainment combined, for the years 1931 to 1937, inclusive. The expenditures for these purposes by years are shown below:

1937	$155, 191. 19	1933	$186, 019. 92
1936	165, 033. 40	1932	202, 706. 27
1935	160, 720. 33	1931	199, 813. 19
1934	186, 307. 04		

In the third hearing two witnesses testified with respect to these expenses as related to their own particular firms. One of them was of the opinion that observance of the rates prescribed in the order of June 14, 1933, would have lessened the volume received because his firm was not able to go out and solicit business. He was unable to recall the amount of his expenditures for business getting and maintaining in any of the years or the volume of his receipts (3T—645, 646). Another witness testified that his lower budget for advertising had tended to reduce his volume, but did not recall how much he had spent for advertising or how much business he had received (3T—677, 685). He was of the opinion that if his firm should spend more for advertising it would receive greater volume, but refused to state how much additional money he would like to spend, or how much additional business he thought he would receive as a result of the additional expenditure (3T—684). An amount reasonably necessary for business maintenance is an item properly coverable into a schedule of reasonable rates.

Any expenditure above this amount directed toward increasing the volume of business should be recouped from the additional business obtained.

Competition in the commission business is extremely keen and results in a race for getting business which does not manifest itself in a reduction of rates but consists largely in efforts by each market agency to take some of the business away from the other market agencies. Since the rates of most of the respondents are uniform, there is little inducement for the shipper to select one market agency in preference to another because of the rates charged. Business is attached in many cases by reason of ties of personal friendship; in other cases by the estimate of the character of services rendered. Each market agency holds its services out to be of the highest quality and endeavors to convince the shipper of this fact. Under these conditions the amount expended for business getting and maintaining is limited only by what can be afforded under the existing rates, whatever they may be, and by such limits as the respondents impose upon themselves. If excessive expenditures on this account be covered into a rate schedule, every shipper pays to have himself persuaded to send his livestock to one commission firm rather than to another which presumably can serve him equally well. Moreover, as already pointed out, some of the expenditures incurred to get and hold business are covered in general expenditures and in the salaries of salesmen employed, in part at least, on account of the business which they control as well as on account of the salesmanship which they perform. On the basis of all the facts in the record it is found that the reasonable amount to be covered into rates

and paid by the shipper on account of business getting and maintaining should not exceed 10 percent of the total reasonable cost, and reasonable profit.

Administrative and general expenses

149. The per-head cost on account of administrative and general expenses, namely, telephone and telegraph, directors' fees, legal and auditing, taxes, meals, clearing house, general and miscellaneous, allocated to each of the species, is as follows:

CATTLE AND CALVES

	Number of head	Administrative and general expenses		Number of head	Administrative and general expenses
Firm No.:			Firm No.:		
67	454	$0.0038	54	185,312	0.0270
72	2,307	.0039	25	53,312	.0272
66	3,656	.0039	42	67,492	.0275
37	2,122	.0091	48	42,350	.0280
17	11,336	.0101	7	15,790	.0282
56	34,058	.0138	33	1,479	.0292
61	10,731	.0141	55	61,113	.0293
9	3,113	.0142	70	33,967	.0301
14	42,094	.0164	18	59,107	.0309
15	14,963	.0182	82	110,449	.0330
11	1,878	.0187	51	22,495	.0331
62	31,539	.0188	53	28,558	.0334
71	62,038	.0209	73	79,012	.0351
76	9,619	.0213	36	86,051	.0361
75	25,113	.0220	60	19,206	.0356
65	40,302	.0234	59	164,860	.0362
20	32,320	.0229	10	119,514	.0380
26	30,383	.0229	29	34,942	.0400
16	26,673	.0230	84	67,609	.0405
12	67,947	.0241	70	11,360	.0411
13	63,945	.0244	4	35,763	.0448
29	25,551	.0245	63	128,888	.0454
30	23,436	.0247	35	61,688	.0499
8	15,841	.0250	74	8,750	.0539
52	21,660	.0256	78	10,819	.0560
19	12,570	.0261	83	122,107	.0714
34	52,225	.0263	87	991	.0775
77	28,436	.0265	88	2,997	.1156
46	157,432	.0269			

HOGS

	Number of head	Administrative and general expenses		Number of head	Administrative and general expenses
Firm No.:			Firm No.:		
67	6,015	$0.0008	51	159,184	$0.0166
72	1,077	.0021	55	21,227	.0169
61	9,679	.0030	18	11,653	.0173
66	737	.0036	79	2,969	.0178
17	6,872	.0054	26	147,922	.0178
37	35	.0054	53	18,764	.0183
9	19,051	.0057	60	21,184	.0189
11	2,900	.0062	16	8,408	.0191
76	8,629	.0064	12	28,132	.0195
15	20,743	.0072	75	5,134	.0195
14	27,819	.0089	4	9,552	.0199
65	7,619	.0097	42	11,442	.0203
29	12,619	.0104	46	33,474	.0207
7	41,000	.0105	25	19,201	.0223
33	1,000	.0114	63	150,806	.0228
6	8,168	.0016	82	30,135	.0232
77	10,192	.0117	54	27,122	.0250
19	4,497	.0126	59	70,554	.0267
62	18,810	.0126	78	4,738	.0285
13	40,816	.0127	23	1,536	.0294
34	16,312	.0127	10	96,653	.0307
32	6,196	.0130	30	3,489	.0308
73	34,425	.0133	74	2,364	.0368
70	13,628	.0139	87	150,806	.0376
20	2,727	.0147	83	4,078	.0396
26	20,321	.0155	84	11,944	.0419
71	20,323	.0155	35	12,017	.0445
56	8,191	.0159	88	240	.1249
48	5,952	.0163			

SHEEP

Firm No.:			Firm No.:		
67	580	$0.0008	14	7,365	$0.0063
56	4,924	.0027	79	2,273	.0064
54	591,028	.0028	75	2,487	.0070
17	756	.0031	11	175	.0078
61	991	.0033	52	4,320	.0078
59	205,441	.0035	73	4,035	.0078
37	96,975	.0037	9	398	.0079
43	140,481	.0037	16	1,570	.0080
66	283	.0039	4	1,896	.0086
72	45	.0040	77	1,635	.0088
76	1,553	.0043	1	43,274	.0092
46	7,795	.0043	26	2,657	.0093
37	321	.0044	19	1,252	.0098
15	3,854	.0046	62	3,065	.0102
65	2,184	.0050	13	5,688	.0105
5	209,208	.0051	12	3,439	.0110
84	150,283	.0051	7	1,295	.0110
18	3,157	.0052	20	872	.0111

SHEEP—Continued

	Number of head	Administrative and general expenses		Number of head	Administrative and general expenses
Firm No.:			Firm No.:		
10	94,843	$0.0111	63	43,330	$0.0154
23	862	.0118	71	1,414	.0174
25	3,676	.0120	53	733	.0179
6	1,220	.0122	48	430	.0210
29	734	.0125	60	753	.0219
46	7,705	.0129	82	2,007	.0241
55	3,685	.0131	78	3,432	.0250
36	26,575	.0131	74	333	.0290
51	6,942	.0139	83	2,380	.0377
33	805	.0142	30	533	.0411
35	44,036	.0143	34	190	.0418
70	2,507	.0145	42	1,460	.0519

On the basis of these facts and all the information contained in the record, it is found that the following are reasonable per head costs to be covered into rates on account of administrative expenses:

$0.0330 per head as to cattle and calves.
$0.0200 per head as to hogs.
$0.0050 per head as to sheep.

Insurance

150. Many of the risks incident to the conduct of the commission business are insurable; others are not. The expenses on account of premiums paid to carry insurable risks are costs properly coverable into a reasonable schedule of commission rates. Mortgage and theft, fire, and workmen's compensation insurance are the three types most generally carried by the respondents. The expenses on account of carrying these types of insurance are ascertainable and can be expressed in terms of per head costs in the case of each species. Mortgage and theft insurance premiums are quoted by insurance companies in standard cars defined as "25 head of cattle, 60 head of calves,

80 head of hogs, and 100 head of sheep." The rates are 10 cents per carload of livestock irrespective of species. This is $0.00357 per head for cattle and calves; $0.00125 per head as to hogs; and $0.001 per head as to sheep.

151. Workmen's compensation insurance is optional in the States of Missouri and Kansas, in which the respondents conduct their business. Some of the respondents carry this type of insurance; others do not. Nevertheless, it is a legitimate cost to be provided for. A sufficient allowance should be made in the rates prescribed to enable each of the respondents either to carry this type of insurance or to set up a reserve against losses incurred. The cattle facilities of the stockyard company, where the majority of the respondents carry on their business, are located mainly in the State of Missouri, while the hog house is located in the State of Kansas. The auditor for the respondents segregated the expenses which he attributed to workmen's compensation on the basis of salaries paid in the State of Kansas and those paid in the State of Missouri. Premiums on account of this type of insurance are all on the basis of employee pay roll. The yard-work pay roll on account of hogs is occasioned largely in the State of Kansas, and the yard-work pay roll on account of cattle and calves and sheep is occasioned largely in the State of Missouri. The office pay roll is occasioned jointly by all of the livestock handled. The auditor for the respondents attributed to all the firms represented by him $993.07, premiums on account of workmen's compensation for yard workers, to the State of Kansas; $7,048.27 to yard workers in Missouri; and $93.47 to office workers. For all practical purposes he attributed $993.07 to hogs;

$7,048.27 to cattle and calves and sheep; and $93.47 to cattle and calves, hogs and sheep. The two accountants were in practical agreement as to the amount necessary to provide for insurance premiums. The accountant for the Government set up $911.76 for all respondents for fire-insurance premiums, and the accountant for the respondents who are members of the Exchange set up $841.40.

152. In considering the reasonable per head expense on account of some other functions the experience of each firm has been gone into and the normal arrived at on the basis of the experience of each individual firm. The use of an average based upon an aggregate of the expenses of the firms under consideration has been condemned and the reason therefor given. In the case of expenses in which the amounts involved are so small, the consideration of the market as a whole or the consideration of the experience of each of the respondents would lead substantially to the same result. Because of this fact the figures for the market as a whole are used in arriving at the reasonable per head costs on account of insurance.

153. Premiums for workmen's compensation on account of cattle and calves, and sheep have been allocated to these species on the basis of the yard payroll occasioned by each. All premiums paid in the State of Kansas have been attributed to hogs. Office workmen's compensation premiums and fire insurance premiums are occasioned by all species. The sum of $93.47, office workmen's compensation premiums, and $841.40, fire insurance premiums, have been allocated to the various species on the basis of account sales and account purchases. These allocations result in attributing $7,219 to cattle and

calves; $1,240 to hogs; and $517 to sheep. The per head expenditure on this basis is $0.0032 for cattle and calves; $0.0012 for hogs; and $0.0003 for sheep.

153a. Under the heading of "risk expense" the Government accountant included the premium paid by the respondents on account of the bonds carried by them. This expense was incurred chiefly on account of the bonds conditioned upon the making of prompt and faithful accounting for the proceeds of the sale of livestock. These bonds are based upon the value of the livestock handled. The total bond premium expense in 1931 was $6,335.02. It is equitable to distribute this amount to species on the basis of the the value of the livestock of each species. The respondents' accountant determined the gross proceeds of the sale of livestock of each species for 16 firms handling approximately 30 percent of the volume. For the basis of distributing risk expenses the Government accountant used the value of $40 per head for cattle and calves, $12 per head for hogs, and $5.50 per head for sheep. The use of the valuation employed by either accountant will give approximately the same result. Using the value established by the respondents' accountant as a basis for the distribution of the expense for bond premiums, the unit cost per head is $0.002 as to cattle and calves, $0.0006 as to hogs, and $0.0002 as to sheep.

154. This results in a per head allowance on account of the types of insurance discussed herein of $0.00877 per head for cattle and calves; $0.00305 per head for hogs; and $0.0015 per head for sheep.

Interest on capital

155. A legitimate cost to be covered into rates and paid by shippers of livestock is a reasonable amount

for interest on the capital necessary in the conduct of the commission business. Inasmuch as a separate allowance to cover the uninsurable risks and contingencies is hereafter provided for in profit, the reasonable rate of return herein found represents interest on the use of capital.

156. Three witnesses testified in the second hearing as to what constitutes a reasonable rate of return under the conditions above stated. Two of them were bankers called by the respondents and the third an economist called by the Government. One of the bankers and the economist are in substantial agreement. The economist, who testified first, gave it as his opinion that an allowance of 6 percent interest on the value of the fixed assets would be reasonable and that a rate somewhere between 6 and 8 percent on the amount of liquid working capital necessary in the business would be reasonable. One of the bankers called by the respondents gave it as his opinion that the Secretary of Agriculture would act fairly in arriving at a rate of return if he based his conclusions upon this opinion. The other banker called by the respondents stated that, in his judgment, a reasonable rate of return would be 20 percent. The inference to be drawn from his testimony, however, is that he had in mind an interest rate high enough not only to pay for the use of the capital but also to cover the risks incident to the business. The bank of which he is an official assesses charges against various of the respondents for the temporary overdrafts they make at his bank. The rates charged vary and depend, in part, upon the average amount of the deposits carried by them. He stated that the charge made by his bank to the

respondents on these overdrafts would average around 7 percent.

157. In determining the reasonable amount of capital to be considered in the case of each of the respondents, the amount as determined by the accountant for those respondents who are members of the Livestock Exchange has been considered. A segregation of capital has been made into fixed and working capital. Fixed capital has been taken to be the amount as determined by the accountant for the respondents represented by the following items, namely, furniture, fixtures, and equipment; materials and supplies; Exchange memberships; and mailing lists and customer records. On the value of these, interest at 6 percent has been computed in the case of each firm. On the amount of working capital determined by the accountant for the respondents interest has been computed at 7 percent. The sum of the interest on fixed assets and interest on working capital, expressed in cents per head, has been set up as to each firm.

158. The following tables set forth by firms the per head interest on account of selling; calculated on the basis stated above:

CATTLE AND CALVES

	Number of head	Interest		Number of head	Interest
Firm No.:			Firm No.:		
45	36376	$0.0022	65	35668	$0.0097
19	9941	.0031	56	20689	.0100
94	62243	.0051	42	59841	.0101
67	963	.0053	70	32305	.0102
59	128133	.0055	18	46755	.0109
34	20659	.0060	79	9475	.0115
54	117345	.0060	75	20363	.0116
55	47690	.0070	25	42045	.0118
93	46709	.0071	71	53940	.0122
33	90682	.0078	14	35189	.0125
31	22013	.0078	23	36219	.0125
46	90113	.0084	73	73218	.0125
63	99771	.0092	12	59216	.0130
13	55362	.0093	30	22770	.0134

CATTLE AND CALVES—Continued

	Number of head	Interest		Number of head	Interest
Firm No.:			Firm No.:		
20	27615	$0.0130	35	55998	$0.1089
53	26901	.0141	4	33160	.0193
26	28553	.0144	17	9707	.0315
7	14931	.0147	52	18614	.0321
61	10042	.0147	76	6872	.0365
78	7125	.0153	66	1503	.0324
15	12757	.0155	60	14285	.0374
74	6732	.0162	58	2273	.0463
9	2191	.0163	72	1934	.0494
29	34297	.0174	11	1706	.0539
6	10253	.0178	67	382	.0594
16	23073	.0184	37	3122	.0624
62	28109	.0187	33	1218	.0737
77	21081	.0187			

HOGS

Firm No.:			Firm No.:		
61	8,801	$0.0007	6	7,962	$0.0051
19	3,069	.0009	16	8,425	.0051
30	64,996	.0016	23	1,836	.0055
51	156,853	.0017	4	9,171	.0056
55	20,575	.0020	62	15,594	.0056
54	23,261	.0021	15	20,406	.0059
46	32,905	.0025	17	6,236	.0063
56	7,899	.0027	35	11,775	.0067
53	116,670	.0027	32	6,193	.0071
70	13,427	.0028	76	7,986	.0078
34	11,223	.0028	57	236	.0078
13	40,786	.0028	52	20,780	.0081
18	11,388	.0029	34	9,880	.0086
42	11,015	.0031	73	18,720	.0086
65	7,610	.0032	66	737	.0103
71	20,141	.0036	60	19,875	.0107
48	5,883	.0036	78	2,260	.0111
25	18,661	.0036	79	2,960	.0120
20	3,727	.0039	77	9,507	.0120
44	27,771	.0039	72	1,045	.0134
12	27,121	.0039	11	2,990	.0150
53	18,750	.0041	75	4,922	.0174
7	37,426	.0043	67	5,951	.0177
26	20,075	.0044	74	2,364	.0185
9	17,642	.0045	32	1,690	.0215
29	12,438	.0048	59	3,292	.0234
30	3,490	.0048	38	422	.0243

SHEEP

	Number of head	Interest		Number of head	Interest
Firm No.:			Firm No.:		
19	741	$0.0003	12	2,450	$0.0026
51	6,196	.0007	7	1,295	.0031
59	191,587	.00076	73	3,770	.0031
44	248,022	.00084	16	359	.0033
54	565,861	.00096	77	1,532	.0034
55	2,947	.0012	17	439	.0037
13	5,687	.00137	4	1,583	.0038
56	4,924	.0014	76	1,356	.0038
63	24,716	.00144	84	103,847	.0039
5	205,880	.00145	66	283	.0044
61	638	.0016	78	3,432	.0046
70	2,484	.0016	1	42,372	.00462
46	7,002	.0017	33	805	.00493
57	93,327	.00175	20	511	.0052
15	3,805	.0018	82	1,927	.0052
65	1,284	.0018	75	2,487	.0062
18	2,732	.0020	79	2,237	.0062
25	3,067	.00212	53	534	.0063
62	3,063	.0022	29	734	.0068
26	2,544	.00229	11	175	.0084
9	598	.0023	37	321	.0084
67	500	.0023	14	5,916	.00867
35	40,948	.00245	23	805	.0094
6	1,220	.0026	83	1,[illegible]15	.0235
52	4,081	.0026			

It is found that the following are reasonable allowances per head on account of interest:

$0.015 per head as to cattle and calves.
$0.007 per head as to hogs.
$0.004 per head as to sheep.

Profits

159. In addition to producing reasonable per head costs incident to the handling of the different species of livestock, reasonable rates should provide also a per head profit, that is, compensation for management and the carrying of uninsurable risk. The two cooperative market agencies and some of the other respondents are managed by employees. The remuneration received by employee-managers gives

some indication as to what efficient management costs. In 1929 two of the respondent firms had employee-managers who did no selling. The cost of management was 92 cents per car in the case of one, and 99 cents in the case of the other. In 1931 the same two firms were paying a dollar per car and 70 cents per car. A per head allowance on the basis of one dollar a car as to each species has been made on account of management.

160. The risks assumed by respondents may be said to fall roughly into three general classes. First, those against which insurance actually is carried by at least some of the respondents. Second, those of such a nature that insurance against them is conceivable, though not actually obtainable. Third, those involving a decline in, or cessation of respondents' businesses. The first class has been covered by an allowance in the reasonable cost under the item "insurance."

161. The second class comprises whatever liability respondents assume when they sell livestock, the title to which is defective; errors entering into accounting processes; failure of purchasers to make payments; litigation arising on account of bank failures; freight undercharges; and sales of diseased or defective livestock. The experience of the respondents as reflected in the audits of their books and accounts for the years 1929 to 1931 indicate that the losses suffered on account of the risks of this class amount to only a few cents per car. A per head allowance on the basis of 10 cents per car as to each species has been made on account of this class of uninsurable risk.

162. The third class consists of the danger that, through economic changes or failure of those in charge of the businesses properly to conduct them,

the volume of business enjoyed may decline even to the point where it becomes impracticable to continue the conduct of the business. It seems quite clear that nothing should be included in the rates to cover risks or losses due to bad management. It may be that the same is true of risks and losses arising from economic changes. But regardless of who should bear these risks there is no practicable way of appraising them. The rates hereinafter prescribed represent something more than the reasonable cost plus reasonable profit. (See paragraph 163–a.)

Summary of reasonable selling costs plus reasonable profits

163. A summary of the foregoing findings as to reasonable per head costs and reasonable profits for selling each species of livestock arriving at the Kansas City market is as follows:

	Cattle and calves	Hogs	Sheep
Salesmanship	$0.1379	$0.0353	$0.0140
Yarding salaries	.0780	.0300	.0080
Yarding expenses	.0140	.0060	.0004
Office salaries	.0525	.0300	.0100
Office expenses	.0300	.0175	.0060
Business Getting and Maintaining	.0450	.0180	.0050
Administrative and General Expenses	.0330	.0200	.0080
Insurance	.0081	.0031	.0015
Interest	.0180	.0070	.0040
Total cost	.4113	.1669	.0658
Profit:			
To cover management	.0350	.0123	.0040
To cover uninsurable risks	.0033	.0014	.0004
Total reasonable cost and reasonable profit	.4497	.1816	.0682

163–a. On August 15, 1938, when the respondents filed their exceptions to the tentative order they submitted to the Secretary an "Attachment to Ex-

ceptions Filed August 15, 1938." This attachment shows for each species the per head revenues which the rates set out in the tentative order would have produced when applied to the 1931 business of the various respondents and the average per head revenues on the total business handled by these respondents for the year 1931. The average per head revenue on cattle and calves was $0.4779; that on hogs $0.2096; and that on sheep $0.0778. The per head revenues for the various species are in excess of the total per head reasonable costs and reasonable profits as shown in Paragraph 163 by $0.0282 as to cattle and calves, $0.0280 as to hogs, and $0.0196 as to sheep.

164. The audits covering the respective years 1929 and 1931 show, as a rule, only slight differences in the expenses of the respondent firms who operated in both of those years. There occurred, too late to be reflected in the audits for 1931, increases in certain of respondents' lesser expenses, such as postage and taxation, but through salary and wage cuts, also made too late to be reflected in the audits, there occurred considerable decreases in one of the major expenses of the business. It follows, therefore, that the above stated costs cover the situation as it existed before the depression brought about reductions in expenses as revealed in respondents' exhibits a–5 and a–13. Normal costs rather than depression costs have been covered into the rates hereinafter prescribed.

Buying costs

165. Most of the respondent commission firms and all of the respondent order buyers are engaged in the buying of livestock on a commission basis.

The commission men consider their buying activities as supplementary to their selling activities. Some of the salesmen also buy. In some firms there are those employed as buyers only. For the most part the same personnel employed in one activity is also engaged in the other. This is particularly true with respect to the office and yard forces. Most of the items of costs incident to the business of the commission firms are incurred jointly in selling and buying. Their unit costs for buying are the same in amount as those shown above for selling, except as to the items for salesmanship and for interest.

166. The record indicates that in the normal course of business a competent buyer can buy as many animals of a species as an equally competent salesman can sell. This fact, coupled with buying salaries paid, indicates that the cost to the respondent commission men for buying a unit of livestock is somewhat less than the cost of selling a like unit. Somewhat more capital is needed in the buying of livestock than in the selling of it. The interest cost is, therefore, somewhat greater.

167. An analysis of the costs incurred by those respondents engaged solely in the order buying business leads to the conclusion that their unit costs for buying do not vary greatly from those incurred by the commission men in their buying activities.

168. On the basis of all the facts of record and the inferences to be drawn from the record, it is found that the rates charged for buying livestock on the Kansas City market should not exceed those for selling livestock.

Rate structure

169. Livestock does not arrive at market in standard units. It may arrive in lots of from one to many

head. On the one hand such consignments may be of the same grade and may sell at one price, and require only one draft; on the other hand it may consist of many classes sold to various buyers and require numerous weight drafts. Obviously, the work occasioned in handling livestock under such circumstances will vary greatly and the cost of performing the service on different consignments will vary also. A tariff of rates and charges constructed to meet each variation and to assess precisely the cost occasioned by handling each consignment against that particular consignment would be unduly complex. A schedule of rates which attempted to do exact justice by every consignment would be so complex as to be difficult of interpretation and impracticable of application. A tariff simple enough to be practicable and easy of application will work some inequities in some individual cases. A reasonable schedule of rates should do as nearly exact justice as is practicable. Therefore, the rate maker's problem is to find a structure which, when applied to the particular businesses under consideration, will avoid as far as possible unwieldy complexity on the one hand and on the other a simplicity which brings about too many arbitrary distinctions and too much inequity. From time to time attempts have been made to smooth out all arbitrary distinctions. The result has been not only a complexity undesirable in itself but also the creation by such complexity of new inequities. It is recognized, therefore, that any tariff structure which may be adopted can be applied to circumstances which, though not unique, are unusual, and thereby shown to work inequities. Bearing this in mind, balancing advantage against disadvantage, it is believed that a tariff structure only

sufficiently complex to avoid serious inequities with respect to normal transactions is to be preferred.

170. Except as to Tariff No. 3, hereinafter discussed, market agency rate schedules at Kansas City have in the past been based quite generally upon the carlot of livestock as the unit of charge. The reason for this has been that the carlot has been the unit of handling. Until comparatively recently practically all the livestock handled by market agencies at the Kansas City stockyard arrived there in railroad cars. The sales pens in the stockyard were constructed to hold one carlot comfortably and conveniently. It was the custom of buyers to buy by the carlot. In probably the majority of instances the single carlot was synonymous with the single consignment. With the growth of the practice of bringing livestock to market by motor truck and the increasing custom of buyers to purchase animals in less than carlots, as hereinbefore described, these conditions changed.

171. The filing by the great majority of the respondents of their Tariff No. 3 raises in this proceeding an issue not heretofore present in commission rate determinations made by the Secretary of Agriculture, namely, whether the rates prescribed by this order should be set up in the structure heretofore customary, or according to that desired by the respondents last above referred to, or in some modification of one or the other of those structures.

172. The record here shows that the consignment is the unit of handling. The consignment is, therefore, the unit of cost. Many items of cost attach to the consignment in substantially the same amount, regardless of whether it contains many or few animals. The identity of a consignment must be preserved

throughout its entire handling in the stockyard; it must be separately accounted for by the office force. Some items of cost tend to increase as the number of animals in a consignment becomes greater, but probably none increase in direct proportion.

173. Certain modes of arrival of animals at the stockyard affect the number of animals contained in the respective consignments. On the whole, a thousand head of animals arriving by truck will represent more separate consignments than a similar number arriving by rail. This fact has caused it to be said that the so-called "truck-ins" are more expensive to handle than the rail arrivals, but analysis of the costs shown in the record, as well as the opinions of competent witnesses therein contained, compel the conclusion that it is not the mode of arrival but the average size of the consignment which fixes the per-head cost of handling the animals. To base differentials in rates upon the modes of arrival is therefore to attack the problem indirectly rather than directly and produces different charges for handling the same species, number, weight, kind, grade, and quality of animals in two separate consignments merely because one happened to come to the market in a vehicle propelled by gasoline and the other is one drawn by steam.

174. The various commission rate tariffs in force from time to time at the Kansas City stockyard since the effective date of the Packers and Stockyards Act, 1921, are in the record. At least since that date the tariffs have always contained some rates stated on a head basis, and they have also recognized at least one rate distinction based on differences in weights. Reference is here made to the common provision that bovine animals weigh-

ing on the average 400 lbs. or less, and called "calves," are handled at rates considerably lower than those weighing more than 400 lbs., and called "cattle." That this is purely a weight distinction becomes apparent when it is borne in mind that it is the average per head weight of the entire draft which controls and that thereby a 1,500 lb. bull may become a calf by being weighed together with a sufficient number of bovines weighing from 200 to 300 pounds each.

175. In the filing of Tariff No. 3 respondents sought to readjust the structure of their schedules to the changed character of their business. In the formulation of this new tariff they tested certain suggested schedules by practical applications of them to the transactions they actually were handling. By a process of trial and error they arrived at a tariff which, though not going so far as some of them advocated, nevertheless constituted a step in the direction of a structure better fitted to the business of today than was the structure which it replaced.

176. At the last hearing in this proceeding this tariff structure was subjected to close scrutiny and analysis. The evidence compels the conclusion that while some inequities would result from an application of the principles upon which it was based, nevertheless on the whole such inequities are both fewer and less severe than those which would result from the application of the principles which had been discarded. Certain characteristics of this Tariff No. 3 appear to do violence to the basic principles upon which it rests. There is, for instance, no difference in the rates for calves or cattle coming in by truck, as compared with those arriving by rail, but 5 cents

more per head is charged for truck-in yearlings than for those coming in railroad cars, and quite generally the rates on truck-in sheep are higher than for those coming by rail. Also, a lower rate is made for so-called "yard sales" or "seconds," than for freshly arriving livestock.

177. The tariff structure adopted in this order eliminates these and other inconsistencies but otherwise follows in structure the aforesaid Tariff No. 3. It contains for the bovine species a weight class known as "yearlings," and a weight distinction as between light swine or pigs and heavy swine or hogs. In recognition of the fact that, as heretofore stated, the cost of handling a consignment does not increase directly in proportion to the increased number of head in the consignment, the tariff structure here adopted uses a consignment charge graduated according to the number of head in the consignment.

178. That which has been said with respect to the structure of the schedule for selling applies also to the structure for buying.

XXII. THE REASONABLENESS OF RATES UNDER INVESTIGATION

179. Upon the basis of the reasonable costs hereinbefore determined and upon a consideration of the entire record, it is found that respondents' schedules of rates and charges now under investigation contain rates and charges which are unreasonable and unjustly discriminatory.

XXIII. REASONABLE RATES

180. Upon the basis of all the foregoing and the entire record, it is found that rates not in excess of the following are schedules of just and reasonable rates for stockyard services rendered by the respondents

during the period from July 23, 1933, to November 1, 1937.

Article I—Definitions

Calves are animals of the bovine species, weighed in drafts, the average weight of the animals in which is 400 pounds or under.

Yearlings are animals of the bovine species, weighed in drafts, the average weight of the animals in which is from 401 pounds to 800 pounds.

Cattle are animals of the bovine species, weighed in drafts, the average weight of the animals in which is 801 pounds or over.

Pigs are swine, weighed in drafts, the average weight of the animals in which is 130 pounds or under.

Hogs are swine, weighed in drafts, the average weight of the animals in which is 131 pounds or over.

A draft is all those animals in one consignment weighed as a single sales or purchase classification.

A consignment, for the purpose of assessing selling charges, is all the livestock of one species delivered in the name of one person to one market agency to be offered for sale during the trading hours of one day, provided, however, that when the livestock of several owners arrives in one car, and in not more than one car, each species in that carlot shall be considered as one consignment.

A consignment, for the purpose of assessing buying charges, is all the livestock of one species bought at any time but shipped or delivered to one person on one market day.

A person is an individual, a partnership, a corporation, and/or an association of any such acting as a unit.

Article II—Selling Charges

SECTION A—CALVES, YEARLINGS, AND CATTLE

	Per head (cents)
Calves:	
Consignments of one head	40
Consignments of more than one head:	
1 to 20 head inclusive	25
Each head over 20	15
Yearlings:	
Consignments of one head	80
Consignments of more than one head:	
1 to 20 head inclusive	45
Each head over 20	25
Cattle:	
Consignments of one head	80
Consignments of more than one head:	
1 to 20 head inclusive	70
Each head over 20	50

SECTION B—SWINE

Pigs:	
Consignments of one head	35
Consignments of more than one head:	
1 to 40 head inclusive	20
Each head over 40	5
Hogs:	
Consignments of one head	35
Consignments of more than one head:	
1 to 40 head inclusive	25
Each head over 40	5

SECTION C—SHEEP OR GOATS

Sheep or goats:	
Consignments of one head	35
Consignments of more than one head:	
For the first 10 head in each 300 head	25
For the next 50 head in each 300 head	15
For the next 90 head in each 300 head	5
For the next 130 head in each 300 head	2
For the next 50 head in each 300 head	1

Article III—Extra Service Charges

The following extra service charges are applicable to all species:

	Cents
For each additional weight draft over 3, on account of sales classification	15
For each additional check, each additional account of sales, each proceeds deposit or bank credit, over 1	5

Article IV—Buying Charges

The rates for buying livestock of the various species shall not be in excess of those for selling like species.

It is ordered, That the respondent market agencies, and each and every one of them, on and after thirty days from the date hereof, cease and desist from charging, collecting, demanding, or retaining for any stockyard service rendered by them during the period from July 23, 1933, to November 1, 1937, any rate, charge, or revenue collected, in excess of the rates and charges herein found to be reasonable.

It is further ordered, That on and after thirty days from the date hereof neither of the respondent market agencies, nor any of them, shall publish, demand, or collect any rate or charge for the furnishing of any stockyard service in excess of the rates and charges approved by the Secretary of Agriculture on November 1, 1937.

It is further ordered, That a copy hereof be served by registered mail or in person on each of the respondents.

JOHN C. BROOKE, *Examiner*.

JANUARY 17, 1939.

UNITED STATES OF AMERICA

BEFORE THE SECRETARY OF AGRICULTURE

BUREAU OF ANIMAL INDUSTRY

Docket No. 311

SECRETARY OF AGRICULTURE, COMPLAINANT

v.

L. B. ANDREWS, DOING BUSINESS AS L. B. ANDREWS LIVESTOCK COMMISSION COMPANY, ET AL., RESPONDENTS

EXCEPTIONS OF CERTAIN RESPONDENTS TO PURPORTED REPORT AND RECOMMENDATIONS OF EXAMINER

and

STATEMENT OBJECTING TO PROCEDURE AND RULINGS OF EXAMINER

FREDERICK H. WOOD,
JOHN B. GAGE,
Attorneys for Respondents.

Of Counsel:
THOMAS T. COOKE,
CARSON E. COWHERD.

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L. B. ANDREWS, DOING BUSINESS AS LO B. ANDREWS LIVESTOCK COMMISSION COMPANY, ET AL., RESPONDENTS

EXCEPTIONS OF CERTAIN RESPONDENTS TO PURPORTED REPORT AND RECOMMENDATIONS OF EXAMINER

Come now Burlington Livestock Commission Company, Cassidy Southwestern Commission Company, Crider Brothers Commission Company, Warren Cummings, doing business as Warren Cummings Livestock Commission Company, Charles Dixon Commission Company, Ehrke-Martin Livestock Commission Company, E. W. Elliott and R. K. Swain, a partnership doing business as Elliott, Swain & Company, Farrar, Davis & Campbell Livestock Commission Company, W. O. Gladish, doing business as Gladish Livestock Commission Company, O. C. Haggart, John H. Wilson and Glen Haggart, a partnership doing business as Haggart, Wilson Livestock Commission Company, Inman-Hutton Livestock Commission Company, W. C. Kile, doing business as W. C. Kile Livestock Com-

mission Company, R. H. Lewis, doing business as Lewis Livestock Commission Company, William M. Liggett, doing business as Kansas City Livestock Commission Company, National Livestock Commission Company, John M. Nichols, doing business as John M. Nichols Livestock Commission Company, Bryant Poole, D. L. Dempsey and James Rutherford, a partnership doing business as Poole-Dempsey-Rutherford Livestock Commission Company, Ryan-Robinson Livestock Commission Company, The Stagner, Pieronnet & Willis Livestock Commission Company, Swift & Henry Livestock Commission Company, C. A. Stuart, doing business as Stuart-Robinson Livestock Commission Company, K. Knop, Henry F. Thies, E. J. Thies, F. W. Thies and A. C. Thies, a partnership doing business as H. Thies & Sons, Wilson, Egan & Company, Witherspoon Livestock Commission Company, Ralph W. Wright and Wm. N. Baucus, partners doing business as Wright and Baucus Livestock Commission Company, John Clay, F. H. Connor, Alan F. Wilson and Chas. G. Smith partners doing business as John Clay and Company, L. E. Tice, doing business as Knight & Tice Sheep Commission Company, J. M. Laird and G. T. Laird, partners doing business as Laird Bros. Livestock Commission Company, Charles F. Vieregg and Robert H. Stover, partners doing business as W. M. Leitch Sheep Commission Company, Martin Blomquist & Lee Commission Company, Grover C. Maxwell and Ben J. Furnish, partners doing business as Maxwell and Furnish Livestock Commission Company, H. M. Baker, W. C. Bradshaw, Barney Metz and Louise McGrew Moffett, a partnership doing business as the Moffett Livestock Commission Company, R. W. Wester and

Joseph P. Smith, partners doing business as Wester Bros. & Smith Commission Company, being respondents in this proceeding upon whom notice has been served by direction of a purported order of the Secretary of Agriculture dated as of the 2nd day of June, 1938, entitled "Order Reopening Proceedings," without in anywise waiving but reserving all objections and exceptions to the purported "Order of Reopening," and to the authority, jurisdiction and qualifications of the Secretary of Agriculture, the Under Secretary of Agriculture or the Assistant Secretary of Agriculture, or John C. Brooke, Esq., as Examiner herein, to further act in this proceeding, heretofore presented by motions duly filed with the Secretary of Agriculture and by exceptions presented upon the record to the Examiner but relying upon each and all thereof and demanding that each and all of said motions and said exceptions be properly heard and determined in accordance with law, and proper procedure herein, and reserving all exceptions heretofore made and taken to each and every order or opinion of the Secretary of Agriculture purported to be entered herein subsequent to said purported order of reopening, the said respondents do present the following as their exceptions to the "Report and Recommendations" of the Examiner issued as of the 17th day of January, 1939, in accordance with the Rules of Practice promulgated by the Secretary of Agriculture relating to proceedings under the Packers and Stockyards Act, 1921:

GENERAL EXCEPTIONS

1. Because the complaint herein or Order of Inquiry and Investigation which initiated this proceeding and now standing unamended by any sub-

sequent order or action of the Secretary, relates to rates and charges of these respondents long since superseded by and through the lawful and proper filing and publishing by the respondents of new and different schedules of rates and charges; one of such schedules covering all stockyard services of these respondents having been filed by these respondents on May 11, 1932, became effective without suspension thereof by said Secretary upon May 23, 1932, and remained in effect until November 1, 1937, upon which date new schedules of rates and charges, approved by said Secretary and not suspended by him under the authority of said Act became effective and are now the lawful and legal rates and charges for all stockyard services rendered by these respondents. The complaint or Order of Inquiry and Investigation herein therefore relates wholly to matters and circumstances long since moot and ~~which~~ cannot under the law be made the basis for any order herein other than a dismissal of this complaint.

2. Because said purported "Report and Recommendations" in respect of the "Findings of Fact," commencing on page 14 thereof and continuing thereafter to page 89 thereof, do not as to facts or matters critically determinative of the issues presented in a proceeding of this character, constitute findings of evidentiary fact, but intermingle in such findings, conclusions of ultimate fact and opinions not based upon any evidence in the record properly material to the issues presented herein in a manner adroitly designed to mislead and deceive any and all persons who do not have accurate and complete knowledge of the entire record but who are called upon to read or consider the so-called "Report and Recommendations." The failure to make accurate and complete

findings of evidentiary facts and the commingling with such findings as are made of conclusions of fact makes it difficult, if not impossible, in view of the scope of the record and the length of such "Report and Recommendations" to present proper and complete exceptions thereto and to thoroughly review and correct the same in accordance with the Rules of Practice promulgated by the Secretary hereinabove referred to.

3. The Trial Examiner, John C. Brooke, Esq., an employee of the Department of Agriculture and a member of the office of the Solicitor of the Department of Agriculture, which said office is charged with the duties incident to the prosecution of inquiries and complaints arising under the Packers & Stockyards Act, 1921, was required by the order of the Secretary to consider the invalid order of June 14, 1933, and in effect to validate the same. The Examiner, while pretending to reconsider the case and the evidence therein, did not in fact do so but merely caused to be copied the former invalid order, incorporating in said "Report and Recommendations" even the typographical errors which appeared in certain instances in the original and invalid order. The Examiner, while purporting to act as an "impartial arbiter of the facts," was not such in fact but on the contrary thereof adopted in substantially their full extent the findings contained in said order of June 14, 1933, invalidated by the decision of the Supreme Court of the United States; refused to make further findings suggested by respondents' counsel upon material, competent, relevant and undisputed evidence appearing in the record; ruled out as immaterial and irrelevant evidence favorable to respondents, while admitting other evidence of like

nature and character offered by the member of the office of the Solicitor of the Department of Agriculture prosecuting the inquiry; took upon himself the role of prosecutor of the case by introducing, over the objection of counsel, as Examiner's Exhibits data and material in the possession of the attorney prosecuting the case for the Government when he felt that such material should appear in the record; and in connection with all the findings and conclusions reached was manifestly dominated and controlled by a desire to confirm and validate the former order rather than to sift and analyze, independently, impartially and without prejudice, the evidence and present the same to the Secretary through a fair and impartial report. By reason of the foregoing facts in this paragraph stated, the respondents were denied a full, fair and open hearing in the reopened proceedings and on account thereof exception is taken to said "Report and Recommendations of Examiner."

4. The "Report and Recommendations of Examiner" present what purport to be the judicial conclusions of the Trial Examiner after "weighing the evidence" which he, under the law, has no authority to make, and fail to constitute an attempt to "sift and analyze" fairly the evidence as it appears in the record.

5. Because the said "Report and Recommendations" is against the weight of the evidence and in the method of its preparation and its substance arbitrary and unfair to these respondents and each of them.

6. Respondents except to the action of the Examiner incorporating in the said "Report and Recommendations" certain findings suggested by

Government counsel prosecuting the case without regard to whether or not such suggested findings so incorporated in the "Report and Recommendations" were supported by any substantial evidence in the record or were contrary to all of such evidence, Particular reference is made to paragraph 140a incorporated in said "Report and Recommendations" in words and figures identical with the finding proposed by government counsel in which are set forth statements as to the performance per salesman upon the Kansas City market in 1929 misleading and inaccurate in character and contrary to all of the evidence in the record, and to paragraphs 101, 104 and 108 which show the action of the Examiner in many instances was merely a mechanical recopying of suggested findings, irrespective of the accuracy of such findings or their support by evidence or the manifest typographical errors which they contained.

The "Report and Recommendations" in paragraphs 131a, 140b and 153a also adopts words and figures identical with findings proposed by government counsel. The "Report and Recommendations" in paragraphs 16, 122, 154 and 163 adopts the words and figures with the changes therein identical with the findings proposed by government counsel.

7. The entire report is colored by an erroneous conception and interpretation of the decisions of the District Court and Supreme Court of the United States. Such erroneous conception and interpretation particularly manifests itself in paragraph 15b of the "Report and Recommendations" in the inaccurate statement to the effect that the District Court in its final opinion prior to the first appeal, adopted as its own the findings of fact contained in the order of June 14, 1933.

SPECIAL EXCEPTIONS TO PARTICULAR FINDINGS, CORRECTIONS THEREOF, AND PROPOSED ADDITIONS THERETO

These respondents except to the action of the Examiner in failing and refusing to include and incorporate in the "Report and Recommendations" each and all of the findings of evidentiary fact based upon material, relevant and uncontradicted evidence appearing in the record requested by respondents prior to the issuance of said "Report and Recommendations." Each and all of such findings hereinafter set out, so proposed by respondents, is essential to a fair and impartial analysis of the evidence in this proceeding, to an understanding of the undisputed facts in evidence and the development of fair and impartial conclusions based upon the record. Respondents further except to the failure of said Examiner in such "Report and Recommendations" to state any reason why findings upon such material, relevant and uncontradicted evidence as proposed and requested by respondents should not have been incorporated in said "Report and Recommendations." The findings so proposed and requested are as follows:

I

Proposed Findings Upon Evidence Presented Prior to June 2, 1938

1. "The Examiner designated by the Secretary of Agriculture, John C. Brooke, who heard the evidence at the original hearing and at the rehearing although specifically requested so to do at the conclusion of the rehearing by counsel for the respondents, failed to file or prepare or cause to be served upon the respondents or their counsel a Tentative Findings

of Fact, Conclusion and Order. The request of said counsel that argument be had before the Secretary of Agriculture personally was denied and an oral argument on the basis of the record at the original hearing and at the rehearing was had before Rexford G. Tugwell, Esq., an Assistant Secretary of Agriculture, on March 24, 1933."

2. "The Government's counsel did not prepare and file a brief. Subsequent to March 24, 1933, the Assistant Secretary of Agriculture, Rexford G. Tugwell, retired from any further consideration of the issues presented by the argument. The counsel for the Government, J. S. Bohannon, Esq., with the assistance of Howard G. Dozier, a witness for the Government, prepared a 'Findings of Fact, Conclusions and Order' for the signature of the Secretary of Agriculture. This document was not served upon the respondents. The Secretary gave consideration to the case by reading parts of the brief and the transcript of the oral argument hereinbefore referred to and through private conferences held with the Government's counsel and the Solicitor for the Department of Agriculture and various employees of the Government in the Bureau of Animal Industry. On June 14, 1933, a final order was issued in said proceedings, signed by the Secretary of Agriculture. It was identical with the recommended order prepared by Government counsel aforesaid, except as to minor changes in certain rates. The said order was subjected to court review as permitted by the provisions of the Packers and Stockyards Act of 1921, and in accordance with the provisions of Title 28, U. S. Code, Sections 44, 47 and 47a (Act of October 22, 1913, C. 32, 38 Stat. 220). On June 18, 1938, the District Court for the Western Division of Missouri

entered a decree enjoining, setting aside and annulling of said order in accordance with the previous opinion of the Supreme Court of the United States, which held that said order had been made and entered by the Secretary without the full hearing required by the Packers and Stockyards Act, 1921.

"On November 1, 1937, and prior to the entry of said final decree of the District Court of the United States for the Western Division of the Western District of Missouri, each and every one of the respondent market agencies remaining in business filed with the Secretary and there became effective by and with his approval a schedule showing either expressly or by reference all rates and charges for stockyards services furnished by said market agencies at the Kansas City Stockyards, Kansas City, Missouri, each of said schedules being in force and effect since the 1st day of November, 1937, and the same are now the lawful schedules of rates and charges filed by each of said respondents by and with the approval of the Secretary of Agriculture and hereafter to be in force and observed.

"Petitions to secure a court review of the aforesaid order of June 14, 1933, were filed in the District Court of the Western Division of the Western District of Missouri by fifty-one of the respondents representing all of the selling agencies then in business at the Kansas City Stockyards, aside from the two cooperative agencies heretofore mentioned. The remaining agencies, ten in number, which were shown as hereinabove pointed out, to have been in business at the commencement of the hearing in 1932 had discontinued business subsequent to last hearing and prior to the date of the order. In the year 1925 sixty-six market agencies selling livestock were in

business in the Kansas City Stockyards; in 1929 sixty-five firms were in business; in March 1932, sixty agencies were in business; on July 19, 1933, the date the petitions aforesaid were filed, only fifty-one agencies remained in business. In 1920 the Kansas City Livestock Exchange had three hundred three members, and in March 1930, the Exchange had two hundred sixty-two members, of whom thirty-five were not active. (NT 2, pp. 180–182). The Court in connection with the granting of an injunction whereby the enforcement of the order so made was enjoined, required an impounding with the clerk of the Court of the difference between rates and charges provided for in the order and those in effect under the tariff filed as aforesaid on May 11, 1932. During the period of this impounding thirteen other agencies in business at the time of this rehearing discontinued business, namely, Fred O. Morgan & Company, Hinie Klecker Sheep Commission Company, Henry F. Carnes Commission Company, Drumm-Standish Commission Company, Jay D. McCormick Livestock Commission Company, Welch Livestock Commission Company, Walter G. Land Livestock Commission Company, Less White Livestock Commission Company, Greer & Company, Ham Knighton Commission Company, Harry Kennaley Commission Company, Link Fasken Livestock Commission Company and W. E. Curtis & Company."

3. "An association of the different selling agencies in business on the market was established known as the Kansas City Livestock Exchange at a very early date. Packers established large plants at the market. The Exchange adopted rules relating to rates and charges and rules designed to establish a standard in ethics among the agencies engaged in the business.

It was in evidence that during this period and while the market was developing rates were generally fixed on a carlot basis as to livestock and practically all shipments arrived by rail frequently in train load consignments coming from one shipper. While the rates were established on a unit or carlot rather than a percentage basis as is common in other forms of commission business, it is in evidence that the attempt generally was made to establish rates at an amount which would yield the market agency approximately 2% of the gross proceeds of the average shipment handled. (Abst. II, p. 613.) The evidence further disclosed that at the outset of this proceeding and in the year 1929 the schedules of rates and charges placed under inquiry yielded the market agencies $^{84}/_{100}$ of 1% of the gross proceeds of the livestock sold and handled at the market. Such rates were also less than the charges for commission and brokerage services figured on a percentage of gross proceeds handled basis involved in the selling of other agricultural products. Comparative commission charges on the sale of other commodities less perishable in nature in 1929 were as follows: 1.18% for corn, 1.20% for wheat, 1.58% for oats, 3.88% for eggs, 5.27% for hay, 7% for vegetables in carload lots, 10% for vegetables in less than carload lots, 10% for citrus fruits in less than carload lots, 10.26% for wool, and 12.20% for hides. (Respondents' Exhibit 56, Supreme Court Record 953.) It is also disclosed in the evidence that the commission customarily paid for selling livestock in large droves on the farm and ranch was higher than the rates under inquiry. One reason for the low altitude of livestock commission rates at Kansas City arises from the fact that these rates were increased by only 10% during the period of the World

War while living costs and farm wages increased more than 200%." (Resp. Exhibit 45.)

4. "Due to climatic conditions and other factors there is a very pronounced seasonal variation in receipts of livestock in the Kansas City market. Cattle are the principal species handled and a very large number of grass fat cattle are produced during the fall of the year in regions tributary to the Kansas City market in Kansas, Oklahoma, and Texas. This livestock is marketed within a very short period of the year. The seasonal variation at the Kansas City market is much greater than at the Chicago market and other markets, and varies as to time, dependent on pasture conditions. This increases the so-called 'load factor' and necessarily increases unit costs at Kansas City as compared with other markets. The detailed figures in the record for 1931 show the monthly cattle receipts at the Kansas City yards varied from a low in July of 101,705 head to a high in October of 201,489 head. The average monthly receipts amounted to 138,998 or 69% of the receipts in the high month. On the other hand, the variation in cattle movement at Chicago in 1931 was only from a low in February of 153,918 head to a high in October of 226,236 head, and a relation of the average of 190,546 head to the best month was 82.2%. The highest weekly receipts of cattle at the Kansas City market in 1931 amounted to 51,222 head, as compared with average weekly receipts of 31,989 head, giving a ratio of average receipts to highest weekly receipts equal to 62.45%. The highest day's receipts of 32,002 head on October 12, 1931, is related to an average per day receipt of 5,380 head which gives a ratio of average daily receipts to highest daily receipts of 17.9%. The evidence also disclosed a greater

diversity in the grades and types of livestock received in the Kansas City market than at other markets. Large buyers who had long been in business on the Kansas City market testified that it was one of the most difficult markets upon which to properly appraise the value of livestock, particularly cattle. Receipts come from a wider area than at other markets, the large proportion of stockers and feeders cattle handled necessitating double contacts with sellers in the western and southwestern portions of the country and buyers in the central and eastern portion of the United States, all of which increases the expenditure of effort and money necessary in connection with the efficient operation and the business of respondents, as compared with conditions normally existing upon many other markets" (Resp. Exh. 55, Govt. Exh. 16, 116).

5. "The packers who purchase livestock at the Kansas City Stockyards employ at substantial salaries competent men to purchase livestock on their behalf. These buyers have the advantage of current reports upon dressed yield of livsetock from day to day purchased by them upon the market. It was in evidence that in order that salesmen may correctly appraise the value before slaughter of livestock it is essential to know all the circumstances which surround the manner in which the livestock has been prepared for market, as to whether or not the cattle offered have been fattened upon grass, upon corn, upon silage, or upon a combination of other feeds, and how long they have been fed. All this affects the value of the meat produced. Knowledge of this is greatly to the salesman's advantage and such knowledge must be accurately obtained. It was in evidence from the testimony of a head packer buyer that

occasions had arisen when he was able over substantial periods of time to purchase livestock coming from certain areas at less than their actual worth upon the market because the salesman was less well informed than the packer buyer as to dressing yield of the cattle and as to the character of feed conditions at the point of production. This, as well as other factors connected with the salesman's ordinary duty in the efficient performance of his work, necessitates frequent trips to the country and constant information as to the way the cattle in his customer's hands are being prepared for market. While the regular market hours are from 8 A. M. to 3 P. M., the testimony discloses that active markets are had only on the first four days of the week on account of the variation in the volume of recepts, such markets customarily extending on the average for about three hours per day during the regular marketing period."

6. "The rates and charges of respondents in effect as of April 7, 1930, the date the order of inquiry in this proceeding was issued by the Secretary of Agriculture, were established as a result of the proceedings known as Dockets Nos. 11, 12, 13, and 14, *American National Live Stock Association et al., complainants* v. *The Kansas City Live Stock Exchange et al., defendants*, in the Department of Agriculture, and were approved by authority of Secretary Henry C. Wallace on July 24, 1923 (Exhibit 24). In this proceeding a formal complaint charging that existing rates of market agencies at Kanas City, Missouri, were unjust, unreasonable, and discriminatory, was filed with the Secretary of Agriculture under Title III of the Packers and Stockyards Act on July 25, 1922. Prior to hearings on this complaint conferences were

had between the complainants and the defendants, which were attended by representatives of the Secretary of Agriculture. The result of these conferences was an agreement and stipulation between the parties that G. N. Dagger, Esq., in charge of the Division of Rates and Charges for the Secretary of Agriculture, and Howard F. Gore, in charge of the Trades Practice Division, Packers and Stockyards Administration, should consider the charges made in this complaint, hear evidence thereon, and finally adjust and determine the issues raised thereby, and would be given by the defendants all facilities and all information which they might desire, or which might be necessary for the discharge of their duties, and that their decision upon approval by the Secretary of Agriculture would be made effective 'to the same extent and as fully as if the decision and recommendation had been arrived at by the Secretary of Agriculture as the result of formal hearings in exact accordance with the procedure provided by the Packers and Stockyards Act, 1921.' It was agreed that the rates and charges which they recommended and which were so approved by the then Secretary of Agriculture would be made effective by all the market agencies involved at Kansas City and elsewhere without review by the court. Hearings were held on the complaint at Kansas City during the week of October 30, 1922; audits of the books of all the market agencies involved were made and information relative to the profits and losses of each firm developed by auditors for the Packers and Stockyards administration for periods of time sufficient to indicate the state of the business. The character of the receipts of the different classes of livestock at each of the markets involved was determined by the auditing division and numerous con-

ferences and hearings were held. The order approved by the Secretary set forth rates reducing by approximately 15% the rates theretofore being charged. These rates were promptly placed in effect and were the basic rates charged and collected at the time this inquiry was initiated in 1930, and set forth in the so-called Tariff No. 2 filed by the members of the Kansas City Live Stock Exchange effective on January 1, 1926. By Supplement No. 3 to said Tariff No. 2, effective January 1, 1930, rates and charges were provided for to cover charges made for insurance on livestock in the yards. On May 11, 1932, and prior to the issuance of the Secretary's order of May 18, 1932, in this proceeding all respondent commission firms selling livestock and all respondent order buyers, except three, filed severally a uniform tariff of rates and charges for selling and buying livestock to become effective on May 23, 1932. This tariff, hereinafter set forth, was upon a headage and consignment basis and fixed charges predicated upon the number of head in each consignment of given weight as distinguished from the former tariffs which were generally predicated as to rail consignments upon a carlot unit. The Secretary, upon the filing of this tariff, did not issue an order suspending the same, but instructed the Chief Accountant for the Department to analyze the tariff and to make a report to him concerning its relative altitude or revenue-producing ability as compared with the tariff in effect as of the initiation of this proceeding. The departmental accountant reported to the Secretary as a result of this investigation that the tariff so filed reduced rates and charges by only 4% of the amount formerly collected under the existing tariff. The respondents claimed that the amount of the reduction

approximated 10% (NT 2, 400, 405, 6, 7). It developed at the rehearing that the accountants for the Department had incorrectly applied the schedules of rates and charges, figuring the rates on the basis of a charge per draft, rather than per consignment, which substantially but erroneously increased the amounts which the tariff would yield, whereas, the tariff provided that the rates should be collected according to the number of head in each consignment. In fact, the tariff so filed did accomplish a reduction as compared with the former tariff, of approximately 10% when all species were considered and the tariff properly applied. The two respondent cooperative commission firms filed schedules effective on June 18, 1932, in conformity with the order of May 18, 1932. These two cooperative agencies later filed schedules effective on October 10, 1932, modifying somewhat their rates and charges."

7. "Unfavorable business conditions and lowered receipts in 1931 as compared with 1929 compelled a number of the respondents firms to discontinue business. Many of respondents' firms were compelled to reduce the salaries of personnel and the net owner income as shown by the Government accountant's Cost Study (Exhibit 15) for the year 1929 was reduced from $181,260.45 to the sum of $14,520.40, as shown by the Government's accountant's Cost Study for the year 1931 (Government Exhibit 115). A large proportion of the decreases made were made during the latter part of the year 1931 and the cost study failed to reflect the complete or final effect of such decreases and also the decrease subsequently, made as a result of the reduction in rates and charges amounting to 10% of total revenues accomplished by the rates and schedules filed on

May 11, 1932. The average salary paid stenographers in 1931, amounting to $93.21 per month, was not shown to be excessive, and the average salary paid cashiers, bookkeepers, accountants, and office men amounting to $152.80 per month during the year 1931 was not excessive in view of the character of services rendered. The evidence disclosed that all agencies, particularly those having a large volume of business, used every effort to economize on expenses during the year 1931 and keep the same at a minimum amount" (NT 76, 77, 102, 146, 606, 607, 629, 630, 718, 886, 935, 977).

8. "No evidence appears in the record that any of the respondent market agencies failed to handle its business in a reasonably efficient and economic manner. A substantial number of these agencies handled more livestock than the total of livestock handled by all agencies at most of the public stockyards posted by the Secretary under the provisions of the Packers and Stockyards Act. Firm No. 54, John Clay & Company, handled in the year 1931 livestock the gross proceeds of which amounted to the sum of $12,267,430.93. Firm No. 59, Swift & Henry Livestock Commission Company, handled livestock in the same year, the gross proceeds of which amounted to $10,226,699.02. Firm No. 46, National Livestock Commission Company, handled livestock the gross proceeds of which in the year 1931 amounted to the sum of $8,115,270.20. The gross proceeds of the livestock sold by each of the following firms was in excess during said year of the sum of $5,000,000.00, namely, Martin, Blomquist & Lee Livestock Commission Company; Wilson, Egan & Company; Producers Commission Company, a cooperative; and Farmers Union Livestock Commission Company, a

cooperative. The following additional agencies, namely, firm No. 73, Witherspoon Livestock Commission Company; firm No. 71, Ryan-Robinson Commission Company; firm No. 84, Cassidy, Southwestern Commission Company; and firm No. 83, Burlington Livestock Commission Company, each handled livestock the gross proceeds of which were in excess of the sum of $3,000,000.00 during the year 1931. All of the above respondents, as well as others of the respondents, hereinafter mentioned in subsequent findings, received enough livestock to enable them to handle their respective businesses in a reasonably efficient and economic manner."

9. "The livestock salesmen employed by the market agencies are required to match their information, knowledge, experience and skill against the ability of the highly paid, able, and competent livestock buyers employed by packers and others who operate upon the Kansas City market. Any condition which would tend to reduce their compensation below a comparatively fair rate of pay or interfere with their ability to secure the necessary information to properly and efficiently perform their tasks, would be wholly in the interest of the packers purchasing livestock and detrimental to the interests of producers of livestock selling livestock. As stated in the order and finding approved by the Secretary of Agriculture in Docket No. 11 (Resp. Exh. 19); (NT 880, 881, 907, 908, 924, 925, 974, 979, 983, 985, 993, 994, 995, 1010, 1014):

> It would not be to the advantage of the livestock producer to bring about arbitrarily such conditions as to cause necessary talent to seek a field for its services other than with a livestock market agency.

"The experienced cost, therefore, actually incurred by the firms of larger volume employing skillful and specialized salesmen, handling their business in a reasonably efficient manner, as developed by the cost studies of the government accountant, must of necessity be given the greatest consideration in determining the reasonableness of rates.

"This is particularly true as to those agencies, such as John Clay & Company (No. 54), Producers Commission Company (No. 10), and Farmers Union Livestock Commission Company (No. 36) which employed all of the service performed on a bargained basis, and each of which was competently managed as shown by the testimony, evidence and other findings herein."

II

Proposed Findings Upon Evidence Presented Subsequent to June 2, 1938

10. "The evidence submitted at hearings held before the Examiner after the purported Order of Reopening was entered by the Secretary disclosed changed conditions affecting the operations and businesses of respondent market agencies at the Kansas City Stockyards occurring subsequent to the closing of the former hearings held herein and prior to November 1, 1937, in the following particulars:

"(a) Material increases in the price of livestock and the value of cattle, hogs, and sheep occurred during the years 1933 to 1937, inclusive, as compared with similar prices and values in the years 1931 and 1932 in the record at the former hearings. The average prices received by farmers per hundred pounds as reported by statisticians of the Bureau

of Agricultural Economics of the United States Department of Agriculture by years were as follows (Res. Ex. A–3, pp. 54):

	1931	1932	1933	1934	1935	1936	1937
Beef cattle	5.31	4.07	3.63	3.88	6.21	6.00	6.96
Hogs	3.78	3.36	3.78	6.97	9.13	9.44	.....
Sheep	3.43	2.40	2.37	2.98	3.73	4.03	4.44

"The parity index numbers of farm livestock prices as prepared by the agricultural statistician employed by the United States Department of Agriculture in the Bureau of Agricultural Economics, the period from August 1909 to July 1914 being taken as parity to equal one hundred, was by species as follows (Res. Ex. A-3, pp. 68):

	1932	1933	1934	1935	1936	1937
Cattle	78	68	74	120	115	133
Calves	74	68	71	105	113	123
Hogs	48	49	59	118	127	132
Lambs	75	81	98	117	135	144

"Parity prices as to all meat animals so calculated for 1923 and for the years 1932 to 1937, inclusive, computed on an index basis according to actual prices paid were as follows (Res. Ex. A–3, pp. 68):

1932	1933	1934	1935	1936	1937
107	63	60	68	118	121	132

"It is apparent from the above statistics that the prices of meat animals more than doubled during the five-year period intervening between 1932 and 1937, and that such prices in at least three of these years, 1935, 1936, and 1937, were very substantially above the prices of livestock in 1923 and above the so-called parity price of livestock based upon the prices paid

and received for the period commencing August 1909, and extending to July 1914 (Respondents' Exhibit A–3).

"(b) A very substantial increase in the cost of living at Kansas City took place during the period intervening between June, 1933, and November 1, 1937. The increase in cost of living at Kansas City as disclosed by these statistics from June, 1933, to September 15, 1936, amounted to 9.9%; the increase to December 15, 1935, amounted to 8.7%; the increase to March 15, 1937, amounted to 11.5%; the increase to June 15, 1937, amounted to 13%; the increase to September 15, 1937, amounted to 12%, and for the country as a whole to 14.1% (Respondents' Exhibit A–10; RR., pp. 582, 586).

"(c) The evidence disclosed that the total revenue-producing headage of cattle and calves handled at Kansas City by all market agencies engaged in selling and buying on commission amounted to 2,099,652 in 1933; to 2,249,872 in 1934; 2,169,743 in 1935; 2,027,542 head in 1936; and 2,075,893 in 1937. The total headage of hogs so handled in 1933 was 1,843,924 head; in 1934, 1,054,725 head; in 1935, 880,410; in 1936, 731,963 head; and in 1937, 442,833 head; and the total headage of sheep so handled in 1933 amounted to 1,480,679; in 1934 to 1,272,013; in 1935, to 1,220,664; in 1936 to 1,130,965 head; and in 1937 to 1,379,999 head. The total units of all species handled in 1933 amounted to 3,237,545 head; in 1934 to 2,979,050 head; in 1935 to 2,668,699 head; in 1936 to 2,580,582; head, and in 1937 to 2,540,287 head. When these receipts were equalized on their relative income-producing basis to the market agencies under existing commission rates the receipts in 1937

amounted to 74.8% of the receipts in the year 1931 (Respondents' Exhibit A-6).

"(d) Changes occurred in the livestock population of the six states referred to in previous findings contributing to the Kansas City Stockyards substantially all of the receipts of cattle and hogs, and of the seven states contributing substantially all of the sheep received at such stockyards. The changes in the livestock population in these states by species for the years 1928 to 1937, inclusive, have been computed by livestock statisticians employed by the Department of Agriculture (Respondents' Exhibit A–3, pp. 1, 3, 4). The column headed 'Equalized Total' (Respondents' Exhibit A–11) gives consideration to the changes in total live stock population of all species by equalizing the value of different species on the basis of relative commission revenue-producing capacity under tariffs in effect, and the number of hogs is reduced to the cattle basis for the period 1933 to 1937, inclusive, by requiring 2.14 hogs to equal one head of cattle and calves in revenue-producing capacity; for the period 1928 to 1934, inclusive, by requiring 2.35 hogs to equal one head of cattle and calves; and sheep are reduced to the cattle and calf basis by requiring 5.36 head of sheep for one head of cattle and calves for the period 1933 to 1937, inclusive, and 5.74 head of sheep for one head of cattle and calves for the period 1928 to 1934. The following table (Res. Ex. A–11) indicates such changes as have occurred during these years in the potential supply of livestock available for marketing at the Kansas City Stockyards, as shown by the evidence, and makes comparison with the changes in revenue-producing headage handled by market agencies at the Kansas City Stockyards, based on Respondents' Exhibits A–2 and A–3:

CONTRIBUTING STATES—LIVESTOCK POPULATION

	6 States (cattle and calves)	6 States (hogs)	7 States (sheep)	Equalized total
1928	100.0	100.0	100.0	100.0
1929	99.6	102.0	109.6	100.9
1930	104.5	94.0	118.3	102.8
1931	108.3	86.4	126.0	104.2
1932	113.6	102.8	129.4	112.3
1933	123.3	107.5	130.7	120.0
1934	134.3	99.0	136.8	129.0
1935	116.0	84.2	125.5	103.7
1936	112.4	58.3	125.5	102.3
1937	110.6	52.5	140.0	100.8
1931	100.0	100.0	100.0	100.0
1932	104.9	118.9	102.7	107.7
1933	113.8	124.4	103.8	115.1
1934	124.0	114.6	108.7	123.7
1935	107.1	62.7	99.6	99.5
1936	103.7	67.5	99.7	98.1
1937	102.1	60.8	111.2	96.4

REVENUE HEADAGE PER P. & S. REPORTS (ANNUAL), FURNISHED BY GOVERNMENT

1928	100.0	100.0	100.0	100.0
1929	99.7	104.1	104.8	101.3
1930	101.5	106.0	116.5	104.3
1931	91.6	84.8	111.3	83.8
1932	83.7	84.0	93.7	76.9
1933	76.9	77.1	85.7	80.0
1934	82.4	44.1	73.6	73.6
1935	79.2	24.3	70.7	65.7
1936	74.3	30.6	65.5	63.7
1937	76.0	18.5	79.9	62.7
1931	100.0	100.0	100.0	100.0
1932	91.3	98.4	84.2	91.5
1933	83.9	140.7	77.0	95.4
1934	90.0	80.5	66.1	87.8
1935	86.5	44.3	63.5	78.4
1936	81.1	55.9	58.8	76.0
1937	83.0	33.8	71.8	74.8

"(e) The percentage of total livestock delivered at the Kansas City Stockyards by trucks as compared with those received from rail consignments has materially increased during the years 193[illegible] to 1937, inclusive (Res. Ex. A–1, pp. 25). The increase in truck-in or drive-in consignments as to all species

handled from the years 1933 to 1937, inclusive, at the Kansas City Stockyards is shown in the following table:

Drive-ins expressed as percentage of total receipts at Kansas City—1930–36

	Cattle	Calves	Hogs	Sheep and lambs
1930	7.81	27.01	39.22	11.17
1931	11.15	35.16	51.55	13.39
1932	18.72	38.46	62.60	17.40
1933	29.89	46.43	69.18	20.45
1934	24.06	31.92	74.29	20.00
1935	32.35	52.90	78.59	22.50
1936	37.04	56.43	73.42	26.05
1937	27.63	43.99	89.53	20.77

"(f) Evidence submitted also shows substantial changes to have occurred during the years 1933 to 1937, inclusive, in the manner of dispositon of livestock at the Kansas City Stockyards as to whether it be sold to packers, shippers or order-buyers. The relative headages of livestock as sold by market agencies to the different types of purchasers at the Kansas City Stockyards varied materially during the years in question from similar headages indicated by previous findings and based upon the record at the former hearings relating to a period prior to 1933 (Res. Ex. A–2 and 3, R. R. 502, 503).

CATTLE AND CALVES

	Local slaughter	Stocker and feeder shipments	Other shipments
1937	899,291	660,400	344,881
1936	1,028,625	648,892	196,844
1935	969,911	721,988	247,717
1934	1,639,956	680,222	495,875
1933	868,863	536,818	278,415
1932	790,591	624,770	420,606
1931	880,553	653,447	440,339

HOGS

1937	372,023	21,094	62,113
1936	821,538	65,844	182,945
1935	441,350	35,757	102,467
1934	1,021,614	72,036	168,943
1933	1,797,496	41,752	233,979
1932	1,098,237	20,547	302,458
1931	836,655	54,852	443,994

SHEEP

1937	1,038,392	210,710	217,839
1936	912,704	213,533	141,753
1935	960,528	239,238	198,587
1934	1,330,931	266,831	135,345
1933	1,148,644	232,733	286,901
1932	1,277,324	195,392	367,135
1931	1,433,778	257,774	563,270

"(g) The evidence established that during the period of 1933 to 1937 a much larger percentage of livestock produced in the territory tributary to the Kansas City Stockyards was sold at local community public sales known as 'public sales rings' or 'community sales' and at smaller public markets than during prior periods referred to in the evidence taken at former hearings. The rates of commissions charged for selling services at such markets were shown to be substantially in excess of those at the Kansas City market under the rates in effect and collected by respondent market agencies. The customary commission charge for selling at community sales and

public sales rings in all instances amounted to at least 3% of the proceeds of the sales so conducted, and more frequently 5% of such proceeds. This on a percentage basis is more than the combined charges collected by market agencies and stockyard company at Kansas City at any time" (RR 558, 559, 603, 663, 664, 665).

11. "The evidence at the reopened hearing as to the effect of changed operating conditions, including lower rates and charges collected and the impounding of the difference between rates so collected subsequent to June 14, 1933, and the rates ordered into effect by the order of June 14, 1933, upon respondents and other market agencies operating at Kansas City during the years 1933, 1934, 1935, 1936, and 1937 was as follows:

"(a) The number of market agencies buying and selling cattle, hogs, or sheep on commission at Kansas City was shown by records in the Department of Agriculture to have decreased from 61 as of June 30, 1931, to 59 as of June 30, 1933, and to 41 as of June 30, 1937. Over twenty-five percent of the market agencies in business at Kansas City as of June 30, 1935, discontinued business between that date and June 30, 1937 (Res. Ex. A–7).

"(b) A witness, H. C. Bates, who has been engaged in the livestock commission business for forty years in Kansas City with the respondent market agency Ryan-Robinson Commission Company, and who has been treasurer of the Kansas City Live Stock Exchange since 1926 and advisor to the bond committee of that exchange during that period (RR 587) and is a member of a committee (RR 594) appointed by the United States District Court of the Western District of Missouri to assist and advise the clerk of

said court in the distribution of impounded funds in the custody of said clerk, testified at the hearing (RR 587–655). He stated that among the duties of the bond committee was the examination of current financial statements submitted semiannually by the respondents to said committee, and that as treasurer of said exchange and advisor to said bond committee thereof during all of the periods referred to in the record, he did examine and become familiar with the financial status of such respondents (RR 588, 589, 594, 595, 596, 639). The witness further testified that the market agencies which discontinued business between 1933 and 1937 were known to him to be without assets at the date of discontinuance of the business with which to further operate as market agencies at Kansas City; that the effect of the impounding ordered by the District Court of a portion of the commissions collected by respondents under the tariff of May 23, 1932, has been to impair necessary capital of such agencies and that complete acceptance of the rates provided by the invalid order of June 14, 1933, would have materially reduced the operating efficiency of all agencies (RR 589, 594, 595, 596, 601, 602, 605, 606, 644). He stated that such agencies to remain in business used up available means of credit and, in many instances, borrowed money for operations by assignment of the interest, if any, which such agencies possessed in said impounded funds; that such interest was also, in many instances assigned to employees as a consideration to such employees to induce them to continue services necessary to the efficient conduct of the respective businesses at lowered salaries; and also that in a great many cases the remaining agencies still in business would be unable to further continue business

unless the impounded funds so held by the District Court were restored to them (RR 596, 597, 598, 608, 638, 640, 641, 662).

"(c) The evidence disclosed that the reduced rates collected and the lesser amounts available to such agencies during the period from 1933 to 1937 did not permit the agencies to operate as efficiently as they had prior thereto and drastic reductions in advertising expenditures reduced and lessened the volume of business handled. The amounts paid as salaries to nonowner employees were unreasonably low and were reduced substantially during the period between 1933 and 1937 while living costs were increasing at Kansas City (RR 603, 604, 606, 607, 609, 610, 645, 646, 658, 661, 662, 664, 667, 675, 676, 677, 679).

"(d) A reduction occurred during the period from 1933 to 1937 in the number of yardmen employed by certain agencies and in the compensation paid such workers, this in connection with the increased percentage of smaller consignments received by truck as compared with former years caused the work of feeding and watering, as well as weighing, not to be done as expeditiously and as promptly, with the resultant loss in net return to producers of livestock (RR 603, 604, 605, 633, 638, 646, 658, 660, 661, 665, 672, 675).

"(e) The evidence disclosed that the wages paid such employees were reduced to amounts unreasonably low by the market agencies remaining in business and that the efficient operation of these agencies was substantially affected and rendered less efficient by the lowered revenue received and available under existing rates and the order of impounding (RR 601, 602, 603, 605, 606, 633, 638, 646, 658, 662).

"(f) The evidence disclosed that during the period commencing with the application of the first rates approved by a former Secretary of Agriculture in the year 1923 continuing to 1937, a drastic reduction in all expenditures and in particular for advertising took place (Exhibit A-5), the annual amounts so spent by all agencies for advertising being approximately $240,000 during the period 1923 and 1931, were reduced to the total sum of $52,851.00 in 1937; telephone and telegraph expenses were reduced from approximately $80,000 to approximately $33,000. The effect of such reductions, the witnesses stated, was to reduce and lessen the volume of business handled at the market and to allow the marketing to be handled by operators of public community sales, smaller markets, and others who, by charging higher rates of commission had revenues available sufficient to permit advertising and to establish contact with livestock producers and shippers. The witnesses stated that in their opinion this situation and the increase in the amount of direct and country sales during this period was detrimental to the producers of livestock in that concentration of buyers upon the price determining public market at Kansas City, in the opinion of those witnesses, would have resulted in higher prices for livestock to the producer (RR 603, 606, 610, 611, 659, 661, 662, 663).

"(g) The cooperative market agencies, Producers' Commission Association and Farmers' Union Live Stock Commission Company, who accepted in part the rates prescribed in the order of June 14, 1933, were shown to have withdrawn the Government Bonds deposited with the Market Practice Committee to guarantee compliance with trading rules and to be no longer members of the clearing house maintained at

the Live Stock Exchange for the purpose of expediting the clearance on a basis of temporary credit transactions of purchase or sale (RR 635, 636).

"(h) The total amount of cost incurred by the respondent market agencies in connection with this Docket No. 311 and the litigation relating to the validity of the order of the Secretary of June 14, 1933, incurred to September 12, 1938, including expenditures in connection with the court proceedings in which such order was determined to be invalid, amount to the sum of $162,524.16, out of which $87,524.16 has already been paid out. Other expenses connected with the proceeding will be incurred in the future but the probable amount thereof was not estimated by the witnesses (RR 600, 601).

"(i) Respondents' Exhibit A–5 reveals the effect of changed conditions as shown by the annual reports of respondents still in business, and other market agencies operating in Kansas City, filed with the Secretary of Agriculture under the provisions of the Packers & Stockyards Act 1921 during the period from 1928 to 1933, inclusive. The Statistics reflected by this exhibit were compiled by accountants employed in the Department of Agriculture, and summarized by respondents.

"Respondents' Exhibits A–12, A–13 and A–15 show the reduction in salaries paid to the same employees by respondents still in business and in owners' compensation in 1937 as compared with 1931. These exhibits disclose that the average salary paid to the same salesmen and buyers was reduced in this period by 25.12%, or from $3,097.10 to $2,319.50; the salary of yardmen by 25.84%, or from $1,611.45 to $1,195.03; the average salary of office employees (including office managers) by 19.68%, or from

$1,873.12 to $1,504.57; and the average compensation of owner-workers by 19.0 %, or from $3,479.52 in 1931 to $2,817.78 in 1937. These exhibits give no consideration to the additional reduction in compensation to workers for the market as a whole resulting from the elimination from business by 1937 of more than 25% of the agencies engaged in business in 1931. Selling operations are not segregated from buying operations and the statistics relate only to comparable compensations for the years as to the same individuals.

"Respondents' Exhibit A–14 discloses comparable figures for total combined selling and buying volume handled by the thirty-eight firms in business in 1931 and 1937 for those years. It discloses a reduction of 9.69% as to cattle, 54.02% as to hogs and 22.80% as to sheep."

III

Proposed Findings of Fact and Conclusions Offered in Substitution for All That Portion of the "Report and Recommendations of Examiner" Commencing With Paragraph 131 Thereof and Extending to and Including Paragraph 180 Thereof

12. "131. Generally, the expenses incurred by commission firms fall into two categories: first, salary expenses, and, second, nonsalary expenses. The classification of expenses upon a functional basis established by the Government accountant and by respondents' accountant has been hereinbefore referred to. In respect of salary expense, considerable difficulty was encountered by the accountants, both of the government and the agencies, in the assignment of salary expense to functional

accounts. In many instances, by reason of the fact that the same employees or owners would devote attention and a part of their time to the performance of several of the functions so classified without keeping currently any time records as to the apportionment of such time, allocations more or less arbitrary had to be and were adopted. However, by means of a questionnaire (Govt. Exh. 115–b) estimates of the percent of time devoted to the different functions by each owner and employee were prepared and these were given effect in the allocations appearing in the cost studies prepared by the Government accountant. Some difficulty was also encountered in the apportionment of nonsalary expense to functions and as between the different species handled. Therefore, in this respect some methods of allocation more or less arbitrary were established. Both accountants, therefore, recognized the fact that while the total aggregates of expense recognized were comparatively accurate, inaccuracies involving departure from the actual facts inevitably entered into the allocations to classified functional costs (N. T., pp. 837, 839). Manifestly, no cost incurred can be overlooked in the accounting process if the aggregate expense by species is considered. Inevitably, if the guide before stated is followed and rates differentiated to species tested, aggregate species cost must be the basis of the test. A difficulty arises from the fact that one of the most important items to be included in reasonable unit costs is a reasonable amount for salesmanship. In the case of a majority of the agencies who are respondents in this proceeding, the owners perform personally a large part of this service. While the accountant for the Government used in ascertaining

the unit cost of salesmanship the salaries, drawing accounts, and, in a few instances, the profits of owner-salesman, as well as the salaries of those who were employed, it is not contended that owner salaries, drawing accounts or profits, irrespective of the amount thereof, should be used as a guide to determine the reasonableness of this cost. Complete elimination, however, of these amounts in the Government cost accounts with nothing substituted in lieu thereof, causes the salesmanship costs and other costs of many agencies to appear extremely low and to be nonrepresentative of actual costs. The respondents, through witnesses familiar with the market, not presently connected with any market agency, some of these witnesses being men who had been buyers of livestock for packers at the market, introduced evidence as to the annual service value of the respective owners who rendered personal service in connection with the various functions of the business. The Government accountant, on the other hand, as hereinbefore stated, included in his cost allowances for owners' services an average annual compensation of $2,922.00 per owner (Govt. Exh. 115). This amount, while less than the value of these owners' services as appraised by the witnesses for respondents, cannot be considered unreasonably high in view of the character of their work, the responsibilities resting upon them, and the degree of skill and judgment required. Furthermore, it appears from the evidence that in the case of three of the market agencies whose operations from the standpoint of volume, efficiency, and economic management are not questioned by any of the evidence in the record, all salary expense as considered in the cost study prepared by the Government accountant,

represented the salaries paid to employees. In these instances (Firms 54, 10, and 36) the salary cost was determined by the bargained price at which services essential to the business could be secured on an open competitive market (Exh. 115). Any element of unfairness to agencies of smaller volume or of average volume in adopting as a test for the reasonableness of rates the experienced cost actually incurred by these efficiently conducted agencies of very large volume can be removed and eliminated by comparison of such cost with that experienced, as developed by Government cost study by other agencies. When such costs appear fairly well in line with costs of other efficiently conducted agencies of reasonable volume and there is added a reasonable allowance for expenses, such as the carrying of uninsurable risks and interest on invested capital and these costs are covered into a schedule of rates, the rates so established should be low enough to be fair to the rate payer and yet high enough to produce sufficient gross revenue to pay all reasonable costs and reasonable expenses of management to the owner or owners of any agency receiving enough livestock to enable it to handle its business in a reasonably efficient and economical manner. The accountant for the Government in this proceeding as distinguished from the accounting in other inquiries of like character has included as elements of business getting and maintaining cost types of expenditure, other than that made for advertising purposes. Among such expenditures so included are the travel expenses of the personnel of the various agencies and a proportional part of the salaries of such personnel, the expenses incident to the operation and depreciation of automobiles, the expenses inci-

dent to the support and maintenance of the Kansas City Live Stock Exchange, expense incident to correspondence with customers, the mailing of market circulars, etc. For the market as a whole and all the respondents, the total expenditure in 1931 for promotional advertising and customer entertainment amounted to an average of 41.83 cents per customer, or 42.86 cents per market transaction (Petitioners' Exhibit 10, Appendix; Govt. Exh. 115.) It appears from a previous finding (TFF 20) that during the years from 1920 to 1931, inclusive, agencies in Kansas City have been steadily losing to other competing public markets which the evidence shows during said period were operating at higher agency rates the patronage of former customers of the Kansas City market located in territory normally tributary to Kansas City. This indicates clearly that promotional advertising and customer solicitation from the agencies at the market at Kansas City had not kept pace with that originating from other agencies at these competing markets. No evidence appears in the record that any expenditure made by any agency for these purposes was excessive in amount. All the types of expenditures made are recommended as essential to market agency operation by a department bulletin on this subject (R. Ex. 18). The following paragraphs will adopt the procedure of approach in testing the reasonableness of the rates and charges herein suggested and will follow the guide to reasonableness set forth in preceding sections of this order.

OPERATING COSTS

13. "132. The Government accountant in his cost study for 1931 (Govt. Exh. 115, p. 13) found the total

adjusted operating costs for rate purpose, exclusive of return on capital, or allowance for uninsurable risk, rate case expenses and profit, of all selling commission agencies to be as follows:

TOTAL COSTS

Species	Amount	Cost divisions	Amount	Percent
Cattle and calves	$1,411,936.44	Total salary costs	$1,310,163.13	69.05
Hogs	328,676.96			
Sheep	161,704.01	Other costs:		
		Business getting and maintaining	283,756.40	14.96
		Office	110,445.90	5.82
		Yard	27,927.99	1.47
		Administrative and general	118,082.32	6.22
		Risk	47,001.67	2.48
		Total other costs	587,214.28	30.95
Total	1,897,317.41	Total costs	1,897,317.41	100.00

ANALYSIS OF OPERATING COSTS BY SPECIES

	Cattle and calves		Hogs		Sheep	
		Percent		Percent		Percent
Total salary	$984,460.16	69.73	$227,631.72	70.33	$98,011.25	60.61
Other costs:						
Business getting and maintaining	205,487.46	14.55	40,868.21	12.62	37,400.73	23.13
Yard	27,350.37	1.94	478.49	.15	99.13	.06
Office	77,054.92	5.46	23,426.00	7.24	9,934.98	6.16
Administrative and general	83,030.56	5.88	24,391.06	7.54	10,660.70	6.59
Risk	34,543.97	2.44	6,881.48	2.12	5,576.22	3.45
Total other costs	427,476.28	30.27	96,045.24	29.67	63,692.76	39.39
Species totals	1,411,936.44	100	328,676.96	100	161,704.01	100

The aggregate costs include everything that the cost accountant recognized as proper for cost study purposes. It is manifest that in the case of individual agencies relatively high cost in one division may be the direct cause of relatively low costs in other divisions. Allocations to divisions of service of costs

relating to personnel or property used in all divisions are of necessity arbitrary and inaccurate. This is also true in connection with allocation of total expense to species. Agencies do not expend more in the aggregate than management deems necessary to economically and efficiently conduct the business handled. Operating conditions vary as between agencies, and some abnormal results occur from failure to keep cost records. Therefore, the relation of the experienced total costs to the salary and non-salary division of costs present one of the best guides to determine the relation which should obtain in the rate base between the two fundamental classifications of costs. (See Govt. Exh. 115, pp. 4, 5, 6.)

14. "133. The Government Cost Study found the experienced unit per head species costs of the different selling commission agencies for the year 1931 to be as follows (Govt. Exh. 115, pp. 4, 5, 6):

CATTLE AND CALVES

Firm No.	Name	Head	Per head expense cost study determination
34	Warren Cummings	52,235	$0.4112
83	Burlington L. S. Com. Co.	122,107	.4708
18	Hoggart-Wilson Com. Co.	89,107	.4753
66	J. D. McCormick	8,656	.4826
72	Welch Com. Co.	2,397	.4847
46	National L. S. Com. Co.	157,432	.4965
26	Wester Bros.-Smith	30,383	.4968
54	John Clay & Co.	185,312	.5113
59	Swift & Henry L. S. Com. Co.	164,966	.5132
61	Ham Knighton	10,751	.5215
16	Farrar-Davis-Campbell	26,673	.5296
42	Long-Perry	77,492	.5339
4	Hagland-Storts-Burrus	35,783	.5472
10	The Producers L. S. Com. Assn.	119,514	.5527
45	Wright & Baucus	61,113	.5535
25	Stuart-Gillespie Com. Co.	53,312	.5586
60	H. Theis & Sons	19,205	.5865
79	Less White Com. Co.	11,360	.5567
48	Poole-Dempsey-Rutherford	42,359	.5627
78	W. G. Land L. S. Com. Co.	10,819	.5638
37	Link Fasken L. S. Com. Co.	2,122	.5697
36	The Farmers Union L. S. Com. Assn.	88,951	.5710

CATTLE AND CALVES—Continued

Firm No.	Name	Head	Per head expense cost study determination
84	Cassidy Southwestern	67,609	$0.5724
12	Bowles L. S. Com. Co	67,947	.5725
13	Crider Bros	63,945	.5734
82	Wilson, Egan & Co	110,449	.5764
9	John Nichols	3,113	.5778
17	Gladish L. S. Com. Co	11,336	.5813
77	Inman-Hutton	23,436	.5858
15	Elliott-Swain & Co	14,983	.5914
70	W. C. Kile	38,967	.5933
62	Laird Bros	31,539	.5937
65	Moffett Com. Co	40,303	.5939
29	Stagner-Pieronnet-Willis	25,581	.5945
30	George S. Tamblyn Co	23,436	.5957
56	Robinson-Hoover Com. Co	34,058	.5969
28	F. C. Sanders L. S. Com. Co	34,942	.5978
20	K. C. L. S. Com. Co	32,320	.6027
14	Dixon Com. Co	42,094	.6050
63	Martin-Blomquist Lee	128,888	.6090
73	Witherspoon L. S. Com. Co	79,012	.6212
19	Interstate Com. Co	12,570	.6216
6	Lewis-Flournoy	15,841	.6279
52	Jefferson-Lowry-Davis	21,690	.6302
7	Maxwell-Furnish	15,790	.6303
75	W. E. Curtis & Co	25,113	.6387
33	H. F. Carnes Com. Co	1,479	.6482
88	Ira Kimmons	2,897	.6524
76	Greer & Co	9,619	.6570
71	Ryan-Robinson Com. Co	62,038	.6842
25	Drumm-Standish Com. Co	61,658	.7378
74	Frank Boddington	8,750	.7588
51	Kennaley Com. Co	22,495	.8313
67	W. H. Peed L. S. Com. Co	454	.8476
53	Ehrke-Martin L. S. Com. Co	28,558	.9048
11	L. B. Andrews Com. Co	1,878	.9662
87	Dave Hamer	991	.9724
	Total	2,489,773	.5671

HOGS

67	W. H. Peed L. S. Com. Co	6,015	$0.0678
78	W. G. Land L. S. Com. Co	4,738	.1602
61	Ham Knighton	9,670	.1759
11	L. B. Andrews Com. Co	2,990	.1788
66	J. D. McCormick	737	.1824
72	Welch Com. Co	1,077	.1832
55	Wright & Baucus	21,227	.1943
33	H. F. Carnes Com. Co	1,690	.1944
76	Greer & Co	8,629	.1945
63	Martin-Blomquist Lee	150,806	.1977
77	Inman-Hutton	10,192	.2011
51	Kennaley Com. Co	159,184	.2109
70	W. C. Kile	13,628	.2164
59	Swift & Henry L. S. Com. Co	70,564	.2171
14	Dixon Com. Co	27,819	.2194

HOGS—Continued

Firm No.	Name	Head	Per head expense cost study determination
36	Farmers Union L. S. Com. Co	147,922	$0.2229
34	Warren Cummings	16,312	.2248
13	Crider Bros	40,816	.2253
4	Ragland-Storts-Burrus	9,552	.2276
19	Interstate Com. Co	4,497	.2364
17	Gladish L. S. Com. Co	6,872	.2380
20	K. C. L. S. Com. Co	3,727	.2497
82	Wilson, Egan & Co	30,135	.2585
23	F. O. Sanders L. S. Com. Co	1,536	.2591
29	Stagner-Peironnet-Willis	12,619	.2601
7	Maxwell-Furnish	41,090	.2607
9	John Nichols	19,051	.2705
54	John Clay & Co	27,122	.2716
74	Frank Boddington	2,364	.2732
15	Elliott-Swain & Co	20,743	.2733
65	Moffett Com. Co	7,619	.2734
60	H. Theis & Sons	21,164	.2743
73	Witherspoon L. S. Com. Co	34,425	.2745
79	Less White Com. Co	2,969	.2770
10	The Producers L. S. Com. Assn	96,653	.2791
12	Bowles L. S. Com. Co	28,132	.2839
18	Haggart-Wilson Com. Co	11,053	.2853
48	Poole, Dempsey-Rutherford	5,902	.2938
62	Laird Bros	15,816	.2973
53	Ehrke-Martin L. S. Com. Co	18,764	.3015
52	Jefferson-Lowry-Davis	6,196	.3218
75	W. E. Curtis & Co	5,134	.3247
26	Wester Bros.-Smith	20,321	.3303
46	National L. S. Com. Co	33,474	.3366
37	Link Fasken L. S. Com. Co	35	.3386
30	George S. Tamblyn Co	3,489	.3417
56	Robinson-Hoover Com. Co	8,191	.3481
42	Long-Perry	11,442	.3647
71	Ryan-Robinson Com. Co	20,323	.3675
84	Cassidy Southwestern	11,944	.3776
16	Farrar-Davis-Campbell	8,498	.3823
25	Stuart-Gillespie Com. Co	19,201	.3877
87	Dave Hamer	399	.3989
83	Burlington L. S. Com. Co	4,078	.4002
6	Lewis-Flournoy	8,168	.4079
35	Drumm-Standish Com. Co	12,017	.4094
88	Ira Kimmons	249	.5277
	Total	1,289,623	.2510

SHEEP

56	Robinson-Hoover Com. Co	4,924	$0.0325
84	Cassidy-Southwestern	150,283	.0477
54	John Clay & Co	591,026	.0511
67	W. H. Peed L. S. Com. Co	580	.0525
44	Leitch Sheep Com. Co	367,391	.0734
87	Dave Hamer	90,975	.0744
55	Wright & Baucus	3,685	.0775
18	Haggart-Wilson Com. Co	3,187	.0785

SHEEP—Continued

Firm No.	Name	Head	Per head expense cost study determination
5	H. H. Kleeker Com. Co	209,208	$0.0826
11	L. B. Andrews Com. Co	175	.0846
59	Swift & Henry L. S. Com. Co	205,441	.0862
1	F. O. Morgan	43,274	.0870
73	Witherspoon L. S. Com. Co	4,035	.0955
43	Knight & Tice	140,481	.0958
37	Link Fasken L. S. Com. Co	321	.1006
10	The Producers L. S. Com. Assn	94,343	.1065
76	Greer & Co	1,553	.1153
4	Ragland-Storts-Burrus	1,896	.1208
63	Martin-Blomquist Lee	43,330	.1294
35	Drumm-Standish Com. Co	44,036	.1304
65	Moffett Com. Co	2,184	.1353
79	Less White Com. Co	2,273	.1355
23	F. O. Sanders L. S. Com. Co	862	.1382
75	W. E. Curtis & Co	2,487	.1439
62	Laird Bros	3,065	.1466
15	Elliott-Swain & Co	3,854	.1491
17	Gladish L. S. Com. Co	756	.1512
77	Inman-Hutton	1,635	.1520
12	Bowles L. S. Com. Co	3,439	.1585
20	K. C. L. S. Com. Co	872	.1601
14	Dixon Com. Co	7,365	.1647
36	The Farmers Union L. S. Com. Assn	36,575	.1671
19	Interstate Com Co	1,252	.1695
16	Farrar-Davis-Campbell	1,570	.1735
25	Stuart-Gillespie Com. Co	3,676	.1763
66	J. D. McCormick	283	.1792
78	W. G. Land L. S. Com. Co	3,432	.1808
52	Jefferson-Lowry-Davis	4,320	.1820
26	Wester Bros.-Smith	2,657	.1851
42	Long-Perry	1,460	.1961
70	W. C. Kile	2,507	.1976
51	Kennaley Com. Co	6,942	.1988
61	Ham Knighton	991	.2018
6	Lewis-Flournoy	1,220	.2041
46	National L. S. Com. Co	7,795	.2083
7	Maxwell-Furnish	1,295	.2202
33	H. F. Carnes Com. Co	805	.2224
53	Ehrke-Martin L. S. Com. Co	733	.2277
13	Crider Bros	5,688	.2296
48	Poole-Dempsey-Rutherford	430	.2340
82	Wilson, Egan & Co	2,007	.2371
74	Frank Boddington	333	.2457
29	Stagner-Petronnet-Willis	734	.2477
83	Burlington L. S. Com. Co	2,380	.2566
72	Welch Com. Co	45	.2596
71	Ryan-Robinson Com. Co	1,414	.2674
60	H. Theis & Sons	753	.2764
34	Warren Cummings	190	.3093
9	John Nichols	598	.3440
30	George S. Tamblyn Co	533	.4124
	Total	2,628,026	.0802

15. "134. The unit per head species cost experienced by the eleven agencies which in total received more than 50% of the commission revenue received by all agencies during the test year 1931, was found by the Government accountant as a result of his Audits and Cost Study (Govt. Exhs. 114, 115) to be as follows:

CATTLE AND CALVES

Firm No.	Head	Cost study expense	Average per head costs	Percent total volume
83	122,107	$57,492.02	$0.4708	4.90
46	157,432	78,001.76	.4955	6.32
54	185,312	94,747.90	.5113	7.44
39	164,860	85,435.81	.5182	6.62
84	67,609	38,701.96	.5724	2.72
82	110,449	63,661.05	.5764	4.44
63	128,888	78,488.43	.6090	5.18
73	79,012	49,079.27	.6212	3.17
81	22,495	18,699.70	.8313	.91
10	119,514	66,061.34	.5527	4.80
36	86,051	49,132.29	.5710	3.46
Total	1,343,729	679,501.53	.5463	49.95

HOGS

63	150,806	$29,812.81	$0.1977	11.69
81	159,184	33,576.08	.2109	12.34
39	70,554	15,320.44	.2171	5.47
82	30,135	7,789.38	.2585	2.34
54	27,122	7,367.15	.2716	2.10
73	34,426	9,450.41	.2745	2.67
46	33,474	11,267.00	.3366	2.60
84	11,944	4,509.95	.3776	.93
83	4,078	1,632.03	.4002	.32
36	147,922	32,967.12	.2229	11.47
10	96,653	26,979.42	.2791	7.50
Total	766,298	180,671.80	.2357	59.43

SHEEP

Firm No.	Head	Cost study expense	Average per head costs	Percent total volume
84	150,283	$7,161.02	$0.0477	7.41
54	591,028	30,218.88	.0511	29.14
59	205,441	17,713.06	.0862	10.13
73	4,035	385.48	.0955	.20
63	43,330	5,607.01	.1294	2.14
51	9,642	1,380.66	.1988	.48
46	7,795	1,624.32	.2083	.38
82	2,007	475.96	.2371	.10
83	2,380	610.79	.2566	.12
10	94,843	10,096.36	.1065	4.68
36	36,575	6,110.84	.1671	1.80
Total	1,147,359	81,385.28	.0709	56.58

16. "135. During the test year 1931 the unit per head cost of each of the twenty-three respondent selling agencies at the Kansas City Stockyards mentioned in a previous finding as having handled more than 75% of the total volume of business was found by the Government accountant in the Audits and Cost Study (Govt. Exhs. 114, 115) and the number of head of each handled by each of said respondents to be as follows:

CATTLE AND CALVES.

Firm No.	Head	Cost study expense	Average per head costs	Percent total volume
62	122,107	$57,492.02	$0.4708	4.99
46	157,422	78,001.76	.4955	6.22
54	185,312	94,747.90	.5113	7.44
39	164,360	85,435.31	.5182	6.62
64	67,609	38,701.96	.5724	2.73
82	110,449	63,861.05	.5784	4.44
63	128,868	78,483.48	.6090	5.18
73	79,012	49,079.27	.6212	3.17
31	22,495	18,699.70	.8313	.91
10	119,514	66,061.34	.5527	4.80
36	86,051	49,132.29	.5710	3.46
34	52,235	21,474.64	.4112	2.10
18	59,107	28,086.44	.4752	2.37
42	67,492	36,082.77	.5339	2.71
58	61,113	33,826.28	.5535	2.45
25	53,312	29,617.72	.5556	2.14
48	42,359	23,837.02	.5627	1.70
12	67,947	38,901.80	.5725	2.73
13	63,945	36,663.51	.5734	2.57
70	36,967	23,120.48	.6033	1.57
14	42,094	25,486.62	.6056	1.69
71	62,038	42,443.37	.6843	2.49
35	61,658	45,488.86	.7378	2.48
Total	1,915,988	1,064,461.09	.5556	76.96

HOGS

63	150,906	$29,812.81	$0.1977	11.69
51	159,154	33,576.08	.2109	12.34
59	70,584	15,320.44	.2171	5.47
32	30,135	7,789.38	.2585	2.34
54	27,122	7,367.15	.2716	2.10
73	34,426	9,480.41	.2745	2.67
46	33,474	11,267.00	.3366	2.60
64	11,944	4,509.96	.3776	.93
53	4,078	1,632.03	.4002	.32
50	147,922	32,967.12	.2229	11.47
10	96,653	26,979.42	.2791	7.50
58	21,227	4,134.94	.1943	1.65
70	13,628	2,949.43	.2164	1.06
14	27,819	6,102.96	.2194	2.16
34	16,312	3,967.17	.2348	1.26
13	40,816	9,166.45	.2263	3.17
12	28,132	7,985.82	.2839	2.18
18	11,653	3,331.30	.2858	.90
48	5,982	1,748.68	.2938	.46
42	11,442	4,173.40	.3647	.90
71	20,223	7,469.60	.3675	1.58
25	19,201	7,443.81	.3877	1.49
38	12,917	4,919.98	.4094	.91
Total	994,870	243,784.34	.2451	77.15

SHEEP

Firm No.	Head	Cost study expense	Average per head costs	Percent total volume
54	150,283	$7,161.92	$0.0477	7.41
54	591,028	30,21[illegible]	.0511	29.14
89	205,441	17,713.06	.0862	10.13
73	4,035	385.48	.0955	.20
63	43,330	5,607.01	.1294	2.14
51	9,642	1,380.66	.1988	.48
46	7,795	1,624.32	.2083	.38
82	2,007	475.96	.2371	.10
83	2,380	610.79	.2566	.12
10	94,843	10,096.36	.1065	4.68
36	36,575	6,110.84	.1671	1.80
88	3,685	285.77	.0775	.18
18	3,157	247.91	.0785	.16
35	44,036	5,744.24	.1304	2.17
12	3,439	545.19	.1585	.17
14	7,365	1,213.00	.1647	36
25	3,676	648.19	.1763	.18
42	1,460	286.24	.1961	.08
70	2,507	495.27	.1976	.12
13	5,688	1,305.89	.2296	.28
48	430	100.61	.2340	.02
74	1,414	81.83	.2674	.07
34	190	58.77	.3093	.01
Total	1,224,406	92,398.19	.0755	60.38

17. "136. During the test year 1931, the total unit per head species costs as found by the Government accountant (Govt. Exh. 115) of firm No. 54, John Clay & Company, of Firm No. 10, Producers Commission Association, and of Firm No. 36, Farmers Union Commission Company, in which all salary costs considered were bargained salary costs paid to employees and the weighted average per head species cost of all agencies were as follows:

CATTLE AND CALVES

Firm No.	Head	Cost study expense	Average per head costs	Percent total volume
54	185,312	$94,747.90	$0.5113	7.44
10	119,514	66,061.34	.5527	4.80
36	86,051	49,132.29	.5710	3.46
Total	390,877	209,941.53	.5371	15.70

HOGS

36	147,922	$36,967.12	$0.2229	11.47
54	27,122	7,367.15	.2716	2.10
10	96,663	26,979.42	.2791	7.50
Total	271,697	67,313.39	.3478	21.07

SHEEP

54	591,028	$30,318.88	$0.0511	29.14
10	94,843	10,096.36	.1065	4.68
36	36,575	6,110.84	.1671	1.80
Total	722,446	46,426.08	.0643	35.62

BARGAINED SALARIES, SALESMEN AND BUYERS—3 FIRMS

Firm No.	Cattle and calves			Hogs			Sheep		
	Salesmen	Total salary	Average salary	Salesmen	Total salary	Average salary	Salesmen	Total salary	Average salary
10	6.33	$20,034	$3,165	2.33	$8,160	$3,502	1	$2,310	$2,310
36	4.68	19,113	4,084	2	11,000	5,500	1	2,920	2,920
54	6.92	43,985	6,356	1.58	3,050	1,930	2	12,533	6,267
	17.93	83,132	4,642	5.91	22,210	3,758	4	17,763	4,441

18. "137. A comparison of the volume of business handled by the eleven agencies whose unit costs are set forth in TFF 134; by the twenty-three agencies whose unit costs are set forth in TFF 135, and by the three agencies whose unit costs are set forth in TFF 136 with total-volume by species of all agencies in 1931, expressed in percentages, is as follows:

	Cattle and calves	Hogs	Sheep
	Percent	*Percent*	*Percent*
Eleven agencies	49.96	59.43	56.58
Twenty-three agencies	78.96	77.15	60.38
Three agencies	15.70	21.07	35.62
Sixty-one agencies	100.00	100.00	100.00

19. "138. During the test year 1931 the eleven market agencies mentioned in finding 133 and who collectively handled more than 50% of the entire volume of livestock sold at the Kansas City Stockyards each handled a sufficient quantity of livestock to enable it to conduct its business in a reasonably efficient and economic manner and each of said market agencies did, as a matter of fact, so conduct its business.

20. "139. During the test year 1931 each of the market agencies mentioned in TFF 134, twenty-three in number, and who handled collectively more than 75% of the total volume of business at the Kansas City Stockyards handled a sufficient quantity of livestock to enable it to conduct its business in a reasonably efficient and economic manner and each of said market agencies did, as a matter of fact, so conduct its business.

21. "140. During the test year 1931 each of the three market agencies at the Kansas City Stockyards mentioned in finding 135 handled a sufficient quantity of cattle and calves, hogs and sheep, respectively, to enable it to conduct its business in each of said species in a reasonably efficient and economic manner and each of said market agencies did, as a matter of fact, so conduct its business.

22. "141. The unit per head species cost as shown by the Government Cost Study of the eleven market

agencies named in TFF 134 and each of said unit per head costs were reasonable and necessary for the efficient and economic conduct of their respective businesses in the respective species in the test year 1931.

23. "142. The unit per head species costs set out in TFF 135 in respect of the twenty-three market agencies named therein during the test year 1931, as found by the Government Cost Study, and each of said per head unit costs was reasonable and necessary to the efficient and economic conduct of the business of said respondents in the respective species. (See NT II 64, 67, 84, 341, 595, 620, 630, 648, 649, 875, 886, 892, 926, 968, 970, 975, 977, 993; NT I 985, 988 997.)

24. "143. The unit per head species costs set out in TFF 136 with respect to the three market agencies entirely employee-operated named therein, Firm No. 54—John Clay and Company, Firm No. 10—Producers Commission Association, Firm No. 36—Farmers Union Livestock Commission Company, during the test year 1931, incurred in handling their respective businesses in cattle and calves, hogs and sheep, set out in the Government Cost Study, each of said per head unit costs was reasonable and necessary for the efficient and economic conduct of the respective businesses in said species of said agencies. (See T 4267, 4367, 6441; NT II 34, 35, 50, 600, 601, 496, 498, 499.)

25. "144. The actual number of cattle and calves sold during the test year 1931 by any of petitioner market agencies employing not to exceed one salesman, was in no instance as shown by Government Exhibits 115 (Cost Study) and 115–B (Questionnaire) in excess of 15,000 head. The actual average number

of head of cattle and calves per salesman sold in 1931 by respondent market agencies, having in their employ during that year two or more salesmen, was as follows:

Firm No.	Name of firm	Head per salesman
59	Swift & Henry Livestock Com. Co	19,733
54	John Clay and Company	23,866
46	National Livestock Commission Co	16,519
82	Wilson, Egan & Company	15,114
63	Martin, Blomquist & Lee Commission Co	17,954
10	Producers Commission Association	19,026
36	Farmers Union Livestock Commission Company	18,591
73	Witherspoon Livestock Commission Co	14,644
84	Cassidy Southwestern Commission Co	15,561
42	Long-Perry Livestock Commission Co	19,780
12	Bowles Commission Co	19,738
35	Drumm-Standish Livestock Comm. Co	9,333
13	Crider Commission Co	14,133
71	Ryan-Robinson Commission Co	10,274
55	Wright & Baucus	13,940
18	Haggart-Wilson Livestock Comm. Co	12,751
83	Burlington Livestock Comm. Co	15,266
25	Stuart Gillespie & Co	11,212
48	Poole-Dempsey-Rutherford L. S. Comm. Co	12,125
65	Moffett Commission Co	10,984
14	Charles Dixon Commission Co	7,671
4	Ragland-Storts-Burrus Comm. Co	13,721
70	W. C. Kile Commission Co	10,865
56	Robinson-Hoover Commission Co	14,844
26	Wester Bros. & Smith Commission Co	14,277
62	Laird Bros. Commission Co	11,243
20	Kansas City Livestock Comm. Co	9,205
53	Ehrke-Martin Livestock Comm. Co	8,967
34	Warren-Cummings Livestock Comm. Co	8,067
23	Fern O. Sanders Livestock Comm. Co	8,740
51	Harry Kennaley Commission Co	9,783
44	W. M. Leitch Sheep Commission Co	9,733

26. "145. Statistics offered in evidence, including Respondents' Exhibit 247, giving the gross proceeds value as realized in 1931 of the different species of live stock sold upon the Kansas City market disclose the degree of relativity as to selling results per salesman and time required per sale as between all salesmen in service and those salesmen employed by John Clay and Company, Producers Commission

Association and Farmers Union Livestock Commission Company." (See Resp. Exh. 9.)

27. "146. Inasmuch as there are two agencies (Nos. 43 and 44) handling sheep, exclusively of other species, the efficiency and economy of whose operations having been expressly recognized in a previous finding, and in respect of which there is no possibility of incorrect allocation of expenses to species, their unit costs per head as heretofore set out should be given particular consideration in determining a normal or reasonable cost. These are as follows (Govt. Exh. 115, p. 6):

Firm No.	Head	Money expense	Unit cost per head
44	267,391	$19,628.55	$0.0734
43	140,481	12,455.55	.0958"

28. "147. The record discloses that the average headage per sale of cattle and calves and sheep sold by salesmen of John Clay and Company is almost twice as great as the general market average of sales. It, therefore, would be wholly unreasonable to find that salesmen generally upon the Kansas City market can reasonably be expected to sell 23,866 head of cattle and calves, or 295,514 head of sheep, the average for salesmen acting with yardmen's assistance of that firm, the highest on the market in performance. It is shown in evidence (SR 528) that the sheep yardman not listed as a salesman employed by John Clay and Company assisted with the selling of sheep during peak periods and his time was not considered in obtaining this average." (See Resp. Appendix B to Supreme Court Brief.)

29. "148. Each of the market agencies named in the proposed findings 134, 135, and 136, in handling

their businesses in cattle and calves, hogs and sheep, respectively, during the test year 1931, employed no more salesmen than were reasonably necessary for the conduct of each of their respective businesses and paid none of their salesmen unreasonable or excessive salaries" (Govt. Exhs. 114, 115–B).

30. "149. Total expense per agency as disclosed in the per head species unit costs by TFF 133 as to all agencies and as found by the Government Cost Study, is unduly low as to certain species and high as to other species handled by the same agency in the case of some agencies. This is true in the instance of Firm No. 34, Warren Cummings Livestock Commission Company, low in cattle and calves and high in other species costs, an agency which had a very high percentage of order buying volume handled at a lower operating cost as compared with selling business. A bad debt incurred in 1931 amounted to $4,811.57 and was eliminated in the Cost Study (Ex. 114–34). The audit of the business of this respondent showed a net operating deficit for the test year (Govt. Exh. 114–34, 115, 115–B). Variations in the relativity of the buying volume handled at less expense as compared with the selling volume and other factors destroy frequently the comparability of certain costs as set out in said finding.

31. "150. The expense of the three agencies in TFF 135 incident to functions other than selling and buying as to all species handled and as appertaining to the divisions of (a) yarding, (b) office administrative and general expense, (c) advertising, (d) auxiliary selling expense, (e) insurance, is somewhat lower than the average of the other agencies mentioned in the foregoing finding, all of which handled enough livestock to enable them to operate efficiently and eco-

nomically. The Farmers Union Livestock Commission Company is associated with other cooperatives engaged in the grain and jobbing business, having branches in the State of Kansas from which a large portion of the receipts of livestock reached the Kansas City stockyards, which the testimony showed reduced its expense below the general cost to all agencies for field work (NR–1, 718, 726, T–4341, 4344, 4349). None of these agencies made any unreasonable expenditures either on salary account or for other expenses, nor were any unnecessary expenses shown by the evidence to have been included in the cost account of these agencies (Firm No. 10, T–4267, 4367, 6441; Firm No. 36, NT–II, 496, 498, 499; Firm No. 54, NT–II, 34, 35, 50, 600, 601)."

SPECIFIC EXCEPTIONS

32. Exception is taken to TFF [1] 18, 19, and 20 for the reason that the statistical data supporting these paragraphs has been eliminated from the "Report and Recommendations" in paragraphs 21 and 22.

Exception is taken to TFF 20a and to the statement therein contained that the record does not show for any year subsequent to 1931 a comparison of receipts at the Kansas City market with those of its principal competitor markets from the seven states enumerated in paragraph 20, but does show the total receipts of the thirty-eight firms in business in 1931 and still at business in 1937. This statement is misleading and inaccurate in that the record does disclose through statistics compiled by the Department of Agriculture and set forth in respond-

[1] TFF as used herein refers to the paragraph numbers contained in the "Report and Recommendations."

ents' exhibits A–1, A–2, and A–3, the comparative receipts of livestock at Kansas City and all other stockyards posted under the Packers and Stockyards Act for each and all of the years in question.

33. TFF 28 correctly states that "changing modes of arrival" and "other factors, such as changing market demands, customs of buyers have caused the number of animals per consignment and per draft to decrease, and increasingly respondents' business has taken on more of the aspect of retail handling of a commodity which has brought about increasing costs per head of livestock handled." Exception is taken to the conclusion of this paragraph which states "such costs are included in those hereinafter stated in detail," whereas, in fact, the costs found by the Government Cost Study to have been experienced are not thereafter stated accurately in detail or otherwise; the "Differential Cost Study" offered by the Government and indicating the relatively high cost of handling trucked-in receipts, while later mentioned, is entirely ignored in the findings made and conclusions stated (131a); and such costs were not in fact included in any costs thereafter referred to in said order. This finding is further excepted to because the same is incomplete and does not include findings on related undisputed testimony appearing of record. Respondents therefore upon the record submit the following as a corrected finding to follow the sentence hereinafter quoted, ending with the word "handled":

> The extent of this increase in unit cost as related to trucked-in livestock is indicated by the "Differential Study of Operating Income and Cost" prepared by the Government cost accountant and put in evidence as Government Exhibit 115–A.

Exception is taken to the statement in TFF 29a that the rates and charges in the tariffs of May 23, 1932, or the rates and charges proposed in this "Report and Recommendations" automatically adjust themselves to the increasing shift from large consignments received by rail to small consignments received by truck, because such statement is erroneous in view of the positive evidence that during the period subsequent to 1931 the yield per head of cattle and valves handled was declining (T3–612, 613).

34. Exception is taken to TFF 47 because the statement therein contained creates a false impression of the actual situation as to solicitation of shipments by the employees of the Kansas City Stockyards Company. The statement that this company maintained "a force of employees in the country who made contact with producers and growers of livestock" is incorrect and inaccurate. The evidence discloses that the Kansas City Stockyards Company does employ two or three field representatives whose function it is not to contact particular farmers or producers of livestock but to generally influence the movement of livestock to the Kansas City market. Therefore, upon the basis of the record, the following substitution for that portion of said finding following the first sentence contained therein is suggested:

> The company maintains a few employees who, as field representatives, travel in the extensive trade territory from which receipts of livestock coming to the Kansas City market customarily originate and to which livestock purchased upon the Kansas City market customarily go. These representatives en-

deavor to influence the general flow of livestock towards the market and to encourage the purchasing of livestock upon the Kansas City market. They do not have immediate and first-hand knowledge of market conditions as do the salesmen for the various market agencies but endeavor to keep informed as to general market conditions. The stockyards company keeps in touch with the field representatives and endeavors to give them from time to time information concerning the market. They do not attempt to influence the shipment of livestock to any particular market agency.

35. TFF 48 is excepted to in connection with the statement contained therein that "a branch of the United States Department of Agriculture maintains an office at the Kansas City Stockyards," which, in addition to posting market information from time to time on the Bulletin Board of the Kansas City Livestock Exchange throughout the day, disseminates it to the general public "by radio at three different periods daily" and furnishes it to the telegraph companies and Press Associations and also publishes a mimeographed report which circulates extensively among producers and others in Kansas, Missouri, and to a certain extent in other states. The fact is, as shown by the records of the Department of Agriculture, the dissemination of market information by radio by this branch of the United States Department of Agriculture was entirely discontinued many years ago and no mimeographed report originating at the Kansas City Stockyards is now generally circulated extensively among producers or others in Kansas, Missouri, or in other states.

36. TFF 49 fails to incorporate or set forth the statistics as to the disposition of livestock receipts

at the Kansas City Stockyards for the years 1920 to 1937, inclusive, appearing in the record herein and in respondents' exhibits A–1, A–2, and A–3, as such receipts of livestock were divided between local slaughter, stocker, and feeder shipments, and other shipments, which statistics also indicated the number of direct shipments not handled by market agencies contained in the stockyard receipts for the same periods of time. This paragraph, although it refers to the division of the receipts, fails to incorporate the statistics which would indicate that tremendous changes adverse to low unit costs and operations of respondents have occurred since 1931 and in the period prior thereto.

37. TFF 50 sets forth a conclusion of fact but fails to summarize the actual evidence in the record which shows the number of head of hogs received direct by packers at their Kansas City plants and there slaughtered which did not pass through the Kansas City Stockyards in the years 1929 to 1937, inclusive (Respondents' Exhibits A–1, A–2, and A–3), and shows that the total of these receipts as compared with market receipts of hogs had greatly increased in comparison with the years prior to 1929. Exception is taken to this finding for the reason that the same is incomplete and fails to constitute a fair summary and analysis of the undisputed evidence in the record.

38. Exception is taken to TFF 51, which is a finding of fact having to do with the early development of the livestock market at Kansas City. It is incomplete, misleading, and inaccurate, in that it wholly fails to refer to undisputed evidence or to analyze for or submit to the Secretary evidence more directly relevant to the immediate issues in this proceeding, and appearing in the record which bore upon the

value of the service rendered by respondents and the altitude of rates and charges of market agencies during the periods referred to in said finding of fact, when the market was being established and built up to the volume which justified regulation under the Act; such rates being higher in percentage relationship to proceeds realized for the sale of livestock than those under investigation.

39. TFF 65 is excepted to because in describing the character of work performed and the service rendered by livestock salesmen at the Kansas City market, it does not fully and completely and accurately reflect the relevant, undisputed evidence in the record coming from all witnesses relating to the great responsibility which rests upon livestock salesmen engaged in business at this market.

A finding hereinbefore set out suggested on behalf of respondents relates to this undisputed, relevant evidence and describes the situation that actually obtained upon the market as shown by all the evidence.

40. TFF 79 is excepted to because while referring to the fluctuations in market receipts, it fails to state the extent thereof as shown by statistics in the record between the different days, weeks, months, and seasons of the year, all of which contributed to cause greater expense and higher unit costs in the operation of a market agency at Kansas City than at other comparable livestock markets.

41. TFF 83 is excepted to because it fails to contain any finding with reference to the origin of the rates charged by respondents and first placed under inquiry, although it purports to cover a history of the tariff first placed under inquiry and the substituted tariff filed on May 11, 1932. It fails to reflect the undis-

puted and relevant evidence in the record as to the relative altitude of these tariffs and the amount of the reduction made by the tariff of May 11, 1932.

42. TFF 92 is excepted to as incorrect on the ground that (Government Exhibit 115 and Blue Audits Exhibit 114) in discussing country trips and inspections, refers to only one of the conditions, namely, solicitation of business, which require respondents' salesmen to make frequent trips to the country, and yet purports to state fully the conditions which require such trips. The evidence discloses that the primary reasons for such trips is that salesmen may have current information as to title and other conditions to enable them to efficiently and safely sell livestock for their patrons, the necessity of advising growers as to the shipment and care of the livestock, and becoming acquainted first hand with the conditions under which cattle are grown and fed, all for the purpose of procuring for the grower a better price and enabling salesmen to compete more effectively in the efficiency of their marketing with the efficiency of the packer buyer (N. T. 718, 719, 724, 872, 880, 881, 907, 908, 917, 924, 925, 964, 970, 974, 983, 985, 993, 994, 995, 1005, 1008, 1010, 1014).

The sentence in the finding reading:

> In addition respondents make special trips to the country for the purpose of soliciting business,

should be amended to add:

> and for the purpose of advising themselves and becoming acquainted first hand with the conditions under which cattle or other livestock to be shipped to them are being grown and fed in order that they may properly advise

growers as to shipment and care of their cattle, properly appraise the cattle when upon the market, deal more effectively with packer buyers, and thus procure for the grower a better and fairer price.

43. For the reasons stated in the preceding paragraph, TFF 93 is excepted to and the first sentence thereof should be amended to read as follows, in order that it may be in accord with all the testimony in the record:

> The respondents generally render definite services of value to the livestock producer incident to and immediately associated with the marketing of the livestock handled by them, in appraising and inspecting this livestock in the country before shipment to the market. They have a knowledge of markets and relative prices of the many different grades of livestock not possessed by the grower.

44. TFF 112 states that respondents reduced their rates to some extent on account of the general depression and unfavorable economic condition of their patrons in the year 1932, but fails to state, although the evidence was conclusive upon the point, that such reduction amounted to 10% in the revenue producing power of such rates. The finding also fails to state that accountants for the Department by misinterpreting the tariffs which evidenced this reduction filed in the year 1932, incorrectly reported in the course of this proceeding to the Secretary that such reduction amounted to only 4% of the revenue producing ability of such rates. It discloses that such accountants applied said tariff, contrary to the direct statements therein contained, upon a "draft" rather than a "consignment" basis and, therefore, artificially and inaccurately raised the yield of said

rates over and above the rates and charges which were stated and set forth in said tariffs.

45. TFF 113 states that notwithstanding the unfavorable business conditions and lowered receipts in 1931 as compared with 1929, few of respondent firms operating in both of those years showed any substantial reduction of personnel in the former as compared with the latter. Such finding is excepted to because it is inaccurate, misleading, unfair, and fails to disclose the facts shown in evidence by the government's own accountants. The government cost studies (Government Exhibits 15, 115) disclose that the "net owner income" for cost study purposes for the year 1931 was very substantially reduced as compared with the year 1929, the respective cost studies for the two years showing a total net owner income of $181,260.45 for the 156 owners and 61 firms for the year 1929, and only $14,520.40 for the same owners for the year 1931. The same exhibits prepared by the government's accountants disclose that the salaries paid employees by all respondents in 1929 amounted to the total sum of $965,752.38, while the salaries paid to all employees in 1931 amounted to $883,873.77 a reduction of approximately $82,000. These cost studies and the audits made by the government's accountants could not, of course, reflect the effect of the reduction in rates amounting to 10% made by the new tariffs filed on May 11, 1932. The depressing effect of such tariffs, coupled with the impounding made necessary after June 14, 1933, was shown by the evidence introduced at the last hearing in the elimination from business of more than 25% of the agencies in business and the depletion of the assets and probable insolvency of all remaining agencies. Suggested findings herein-

before set out reflect this evidence, although no reference thereto appears in the "Report and Recommendations" of the Examiner. As to the year 1931 a tabulation from government exhibit 115–B discloses that the average salary paid to accountants, bookkeepers, and cashiers working in the offices of respondents amounted to $152.80 per month and that the average salary or compensation paid to stenographers amounted to $93.21 per month. There was no showing that these amounts were excessive as rates of pay to persons who engaged in like occupations. They are admittedly low as compared with salaries paid during the year 1931 at Kansas City, Missouri. Further reductions in such salaries are disclosed by the respondents' exhibits put in evidence at the re-opened hearing subsequent to June 2, 1938. The necessary and inevitable result of an analysis of this evidence shows that the "Report and Recommendations" of the Examiner unfairly shows that the "Report and Recommendations" of the Examiner unfairly distorts the evidence and fails to properly reflect the actual conditions obtaining.

46. TFF 114 refers to the guide adopted in the so-called *Omaha Commission Rate Case*, known as *Tagg Bros. and Moorhead, et al.*, v. *United States*, for the determination of the reasonableness of commission rates and states that:

> The guide adopted in this case is that under ordinary conditions as they prevail on the Kansas City market, a schedule of rates should be high enough to produce sufficient gross revenue to pay all reasonable costs and a reasonable compensation for management and risk, that is, a reasonable profit to the owner or owners of any firm which receives enough live stock to enable it to handle its

business in a reasonably efficient and economic manner.

The "Report and Recommendations," however, fails to identify those firms shown by the evidence to have received enough live stock to enable them to handle their business in a reasonably efficient and economical manner and fails to incorporate any finding of fact upon this subject by which the guide could be applied in reaching a fair conclusion in accordance therewith. Expection is taken to failure on the part of the Examiner in the Report to include findings of evidentiary fact necessary for the application of the guide referred to and failure to consider findings of fact based upon all the evidence suggested to him by respondents relating to this subject matter.

47. TFF 115 indicates an intended departure from the guide to the determination of the reasonableness of rates as stated and set forth under the authority of the Omaha Commission Rate Case in the preceding finding 114, and is excepted to by reason of the fact that it purports but fails to constitute a complete statement of all related facts established by the record as to those factors which occasioned work for respondents and their employees and which are responsible for the costs that must be covered into rates as arising out of salary expense. By the process of elimination of the salesman's time, from yard, office and travel, the Report and Recommendations in subsequent paragraphs purport to develop normal costs for said functions lower than the normal costs actually sustained, even by the most efficient agencies.

48. In TFF 116 the Report and Recommendations state that the accountants' analyses indicate that the greater unit cost attached to livestock delivered by

motor truck than the costs sustained when livestock comes by rail in straight carlots and that lesser unit costs attach to livestock which arrives in railroad cars without species being mixed, and that the greater the number of consignments contained in each 100,000 of animals handled by respondent firms the greater will be the personnel and resultant cost required for such handling. The paragraph is excepted to for the reason that at no other place in the Report is there reference to or analysis of the evidence submitted as to the increase in the period from 1931 to 1937, inclusive, in the percent of livestock received by truck as compared with that arriving in railroad cars showing the effect thereof in increased costs subsequent to 1931. Exception is further taken at this point to the statement contained in TFF 28 that such increased costs are included in those set out in the findings, when such is not the fact and to the statements appearing at other places in the report that the form or structure of the tariff takes care of such increased costs when such is not the fact and is directly contrary to all the evidence.

49. TFF 117 is excepted to in connection with the statement that "the factors which may occasion light runs in one period of the year are apt to cause correspondingly heavy receipts at another," for the reason that there is nowhere in this paragraph or in the "Report and Recommendations" as a whole any reference to the statistics shown by the evidence as to the variations in such receipts, or as to what the factors were resulting from climatic conditions in the territory tributory to the Kansas City market which occasioned inevitably tremendous fluctuations in the volume of livestock received from day to day, week to week, and month to month, and year to year.

50. TFF 119 is excepted to because it refers to "the several experiences of more than 60 firms occurring under conditions similar to those which may be expected to prevail when the rates have gone into effect," whereas, the "Report and Recommendations" itself proposes rates affecting a past interval of time now elapsed, and the evidence shows that the more than sixty firms in business when the inquiry was instituted have decreased in number to approximately forty firms and for the further reason that the "Report and Recommendations" does not refer to or sift or analyze the evidence submitted relating to the actualities of the conditions prevailing during the period when the rates established are to be effective.

51. TFF 126, 127 and 128 are excepted to because the effect thereof is to disallow any cost incident to the establishment of the respective businesses of the market agencies, respondents in this case, or anything for good will or going value, including the cost estimated at some $66,000.00 by respondents' accountant of establishing such businesses and setting into operation the methods employed and the routine followed by the owners and employees thereof. The nature of the business is such that no going value is attached to physical property, *i. e.*, cost of replacement, but it does have in each established business a very definite service value contributory to efficiency of operations, internal good will, and external business satisfaction which should be considered in its rate base worth or value.

52. TFF 129 is excepted to because it fails to set forth any finding of evidentiary fact upon which the conclusion is predicated "that there are more firms and a larger personnel on the Kansas City market

than necessary." Reference is made to certain citations in the transcript wherein witnesses testified that they thought a lesser number of firms could handle the business at the Kansas City market. This testimony related to a period when there were sixty-one firms and consists wholly of conclusions expressed by these witnesses upon a subject matter as to which, if anyone, only the Secretary is permitted under the law to express a conclusion. No reference is made to any evidence in the record supporting the assertion as applicable to the conditions obtaining during the period in which the order recommends new rates be effective. This paragraph is further excepted to because the statement in regard to the authority of the Secretary of Agriculture under the Act to determine how many firms can engage in business on the market is inaccurate and does not reflect the actual evidence in the record. This evidence discloses at least one instance where the Secretary had compelled the Clearing House services and trading privileges be extended to a new and additional agency established by a man confessedly guilty of having misappropriated and embezzled money of his patrons in former operations on the market (N. T.–1 pages 65, 66).

53. TFF 130 is excepted to because the conclusions of fact stated therein are not supported by findings of evidentiary fact and are unsupported by the record in the case, and all of said paragraph, with the exception of the last four sentences thereof should be eliminated, which do not purport to be findings of fact but constitute the statement of a test for the reasonableness of rates not followed in the remainder of the order or applied to the facts developed by the record.

54. TFF 131 does not constitute a finding of evidentiary fact, but an argumentative statement to

the effect that expenses incurred by market agencies fall in two classes, first, those which the conditions of the business tend to hold down, and, second, those which conditions of the business tend to increase. The character of expenses following each of the two classes are not definitely stated, and at this point the argumentative statement therein contained, unsupported by any facts of record, departs entirely from the guide to the reasonableness of facts theretofore set forth in paragraphs 114, 119, and 129, and states that as to costs which the conditions of the business tend to increase, such as the cost of salesmanship and the cost of advertising, the expenses as actually incurred by any firm or by all the firms, do not furnish an adequate guide to reasonableness. The statements made therein are excepted to because inconsistent and contradictory of statements theretofore made properly stating the tests to reasonableness developed in the so-called *Omaha Rate Case* and because unsupported by the record, there being no evidence in the record that the conditions of this competitive business involved in this proceeding tend in any greater degree to increase costs than in any other competitive enterprise. The same observations might conceivably be made as to any business or profession, competitive in character, in existence. The statements and argument here advanced constitute nothing more or less than a direct attack upon the competitive system of business operation. The theory of maintaining free competition on "public stockyards" constituted the main predicate for the enactment of the Packers and Stockyards Act, 1921, and is the premise or basis upon which authority granted by said Act is extended to the Secretary of Agriculture in connection with the regulation of

market agencies at public stockyards. The statements contained in this finding are also excepted to by reason of their fundamental unsoundness as expositions of economic policy in connection with rate-making; as without the jurisdiction of the Secretary to promulgate under the Packers and Stockyards Act, 1921; and as unsupported by the record or any evidence therein or by any finding of evidentiary fact. Inasmuch as the tentative order here departs from the guide to rate-making thereinbefore set forth, respondents, while excepting specifically to this and remaining sections of the tentative order, have proposed in sequence substituted findings therefor.

55. Exception is taken to TFF 131-a because of the manifest attempt here being made to throw out of all consideration in the case the cost studies prepared by the Government accountant and introduced in evidence as a part of the Government's case. The statement is made that "the differential cost study prepared by the Government accountant was based upon the various categories of business as recognized in Tariff No. 2, the structure of which was radically different from the tariff which the respondents filed to become effective on May 23, 1932. Consequently the unit cost figures in that study cannot be used here." This statement, as contained in this paragraph, involves a *non sequitur* in that all that the differential cost study does is to show the differences in cost and the actualities of cost as applied to the handling of livestock received in straight carload shipments, in mixed carload shipments, and by truck as distinguished one from the other. Such differences manifestly under the record still exist and, in fact, were accentuated during the period following 1931, the year to which such differential cost study related.

Furthermore, as indicated by other paragraphs of the "Report and Recommendations," the said differential cost study was referred to and considered in those instances where to do so seemed to be favorable to holding rates under investigation unreasonable and substituting lower rates therefor. This action of the Examiner and, therefore, this paragraph in the Report manifestly deny to respondent that fair and impartial consideration of the evidence to which they are entitled under the law, if a full and fair hearing be granted them in this case.

Exception is further taken to the fact that the Examiner in following *verbatim et literatim* the proposed finding of the Government's counsel prosecuting the case in connection with this paragraph of the Report, definitely takes the position contrary to the Rules of Practice promulgated by the Secretary of Agriculture and contrary to the Packers and Stockyards Act, 1921, that the function of Government counsel and the Examiner as officials of the Solicitor's Division of the Department of Agriculture, is for them to weigh the evidence introduced rather than that such consideration be given by the Secretary after, for his convenience, the evidence in the record has been summarized and analyzed. The result of this arbitrary method of approach is in practical effect to exclude the Secretary from the consideration of the actual evidence in the case and to substitute therefor consideration by and the judgment and opinion of the one charged with the prosecution of the case. TFF 131–a is further excepted to as to the following statement therein contained: "It is found that the unit cost figures to be used in making a determination of reasonable unit cost should be based upon the classification of the yarding and office salaries according to

the main duty performed by each class of employees." Such finding is contrary to all the evidence in the case introduced by the Government itself through its own accountants that the unit cost figures and allocations which should be and would be used in making a determination of reasonable unit costs were based upon a classification and allocation of expenditures as actually incident to the rendition of the service involved in the different functions separately classified in the cost findings. The effect of the allocation proposed by Government counsel and adopted by the Examiner and the departure from that proposed by Government counsel and the accountants for the Government during the hearing of the evidence is to absolutely exclude in a large number of instances in particular firms all costs as relating to the several functions of the business separately classified, where such functions were performed by persons whose main duty was connected with the performance of some other phase of the work.

56. The statements contained in TFF 134 that when owner salaries, drawing accounts, and profits are eliminated as items of cost "and nothing substituted, it causes the salesmanship costs to many firms to appear extremely low or be absent altogether; that no fair normal can be garnered from the unit cost of the remaining firms for this item," is self-contradictory in that the elimination of salesmanship cost from certain firms where the work is entirely done by owners would not, and could not, have any effect upon the established cost of those remaining firms which bargained for the service of all employees performing the work. This statement is further excepted to because not constituting a finding of evidentiary fact and not based upon any

evidentiary fact shown in evidence. It should, therefore, be eliminated. This finding is further excepted to because incomplete in that it fails to refer to the reasonable cost actually incurred or the cost shown by the accountant to have been incurred by such agencies as John Clay & Company (No. 54), Producers Commission Association (No. 10), and Farmers Union Livestock Commission Company (No. 36), handling large volumes of livestock in which all of the costs were bargained costs and whose work, including salesmanship, was entirely performed by employed salesmen. This paragraph of the purported tentative order is further excepted to as to the statement of the respective contentions of respondent and Government counsel concerning the methods to be employed in procuring cost figures representative of the value of each owner-worker services. The record discloses that respondents introduced for the consideration of the Secretary, but not as binding upon him in reaching his conclusions, the testimony of qualified witnesses as to the personal value of particular owner-workers' services which might be utilized in arriving at the reasonable annual salary of owner-salesmen whose services on the average were shown by all the evidence in the record to be more valuable than the average of the employed salesmen. The statement prepared by Government counsel of respondents' contention and the contentions of Government counsel in argument should be eliminated.

57. TFF 135 relates to the testimony in the record offered by respondents given by qualified witnesses presently disinterested in the business of the respondents, but familiar therewith and peculiarly qualified to testify as to the personal value to their respective

businesses of the owner-workers' services. The statement contained therein that the witnesses who so testified "did not possess any peculiar qualifications for making this appraisal" is contrary to all the facts of record and is a conclusion of fact not supported by a finding of evidentiary fact. There is no evidence in the record to support the statement made and the conclusion should be corrected to set forth a finding of evidentiary fact as taken from the record. This finding is further excepted to because it is incorrect to say that the performance method urged by Government counsel "places no limit either by way of maximum or minimum upon the amount of annual compensation which reasonably an owner-salesman may earn." While this may be theoretically true, it is only theoretically true and as a practical matter in the proposed order, the method places a very definite limit on what an owner-salesman may earn by setting performance standards at levels higher than the actual performance of the most efficient and the best situated salesmen employed by the largest and most efficient firms upon one of the largest livestock markets in the world (Govt. Exh. 115 and 115-B).

58. TFF 137 is excepted to on the ground that it improperly advocates the elimination of (a) the business drawing power of the owner, (b) allowances for risk bearing and executive functions exercised by the owners. It is not true that these elements are considered elsewhere in the findings, and it is also untrue that a reasonable allowance therefor has been included in the determination of reasonable unit cost, and no specific reference to such inclusion can be found in the proposed order.

59. TFF 138 is excepted to, first, because it entirely eliminates from consideration in appraising the value

of owner-workers' services the testimony of competent and credible witnesses as to such value; and second, because it is not true that an owner is entitled to no more for the act of selling livestock than the amount for which a hired salesman could be employed. (NT 2 386.) It is not contended that this opinion evidence, even from highly qualified witnesses, is binding on the Secretary or that standing alone would support a finding of evidentiary fact. A prior finding clearly states that on the average the owners are the more experienced salesmen and on the average their services are superior to those of an employed salesman and their responsibilities greater. This finding is in conflict therewith (TFF 81).

60. TFF 139 is excepted to by reason of the fact that the statement made therein that "'the record does not show for employed salesmen the amount of work done by any individual" is incorrect and untrue, in that in numerous instances in the case of hog and sheep salesmen all of the work involved in the salesmanship of the hogs and sheep received by individual firms was performed by one salesman for each species employed by the firm. (See analysis of Government Exhibit 115–B in appendix C of Supreme Court brief hereto attached). The statement that the average number of head per salesman sold during the course of the year by the salesmen of a firm does not furnish a measure of the ability or the capacity of any individual salesman is correct if the intent is to refer to a particular salesman employed by that firm, but incorrect for the purpose of the record if the intent be to measure for rate-making purposes, the ability or capacity of an efficient livestock salesman. Otherwise many findings in the *Omaha Commission Case* and in the *Chicago* or *Acker Case* were without pro-

bative value because these findings set forth the average volume of sales made by salesmen of different agencies and groups of agencies on those markets. The fact is, that the average number of head per salesman sold during the course of a year by the salesmen of efficiently operated firms of large volume does measure the capacity of performance of efficient salesmen so employed under the conditions at the time relating to the selling of livestock by the particular agency. It constitutes the only practical and available test or guide as to such performance.

This paragraph of the "Report and Recommendations" is further excepted to because, while it sets forth from the evidence offered by respondents subsequent to June 2, 1938, the comparative salaries paid employed salesmen and buyers of the different species in the years 1931 and 1937, it fails to fully and correctly reveal all of such evidence in that the reductions in salaries in 1937 were shown to be due to rates lowered by the tariffs filed in May 1932, and resulted from the impounding required by order of court, and further, that the services of many of such employees were only continued by reason of the promise made by employers to pay to such employees, when such impounded funds should be returned, as back salary the amounts of such decreases so made in the salaries paid. (See Suggested Findings, *supra*, and record references.)

61. TFF 140 is excepted to. Statements in this alleged finding of fact are merely repetitions of conclusions or opinions stated and given in evidence during the hearing in 1930 in answer to incompetent hypothetical questions addressed to witnesses without qualification to formulate such conclusions. The conclusions so incompetently presented cover subjects

as to which the Secretary himself after a review of the entire record is only entitled to form conclusions, and such conclusions are not supported by any factual evidence in the record upon which the Secretary could base such conclusions, but are directly in conflict with all such factual evidence. No butcher salesman testified as stated in said finding that he could sell 1,600 cars of butcher stuff in a year and should be able to sell that many cars of steers. While reference is only made to carlot or carload sales, as pointed out in other findings, livestock is no longer sold in carlots, nor does the great proportion of it arrive in carlots. Such testimony at the time given could have only been based on 1929 conditions when relatively few head of trucked-in livestock was received. No reference is made to testimony of certain of the same witnesses given in the year 1931 that conditions had greatly changed since their former testimony was given, and which rendered any conclusion or opinion then expressed out of date and untenable in 1931. Only three witnesses expressed conclusions or opinions at all related to the statements contained in this finding. They were witnesses Murphy, Angle, and Ecton. No testimony from a fourth witness, as stated in said finding, can be found either in the 1929 or 1931 record. The finding fails to refer to the many qualifications stated by the witnesses affecting the opinions given, or to the fact that such answers as were given came in response to leading, suggestive, and improper hypothetical questions addressed to them by Government counsel. The statements of these witnesses were not statements of evidentiary *fact*. John Murphy, one of these witnesses whose testimony is evidently referred to, in reply to the question, "How many cars of cattle do you handle in a

year?" that "Well, offhand, I don't know and that would depend on the conditions. A hundred and one things could develop in that" (Supreme Court Record 390). This witness further testified "that no human being on earth could tell what number of cattle a good salesman could sell in a year if he had them to sell." He said that he could go down to the yards and if he were "just interested in selling cattle at any price he could sell a very large number, but that there was a difference between just getting rid of cattle and really selling them" (Supreme Court Record 390). He testified at the hearing in 1932 that conditions of the business had so changed as generally to increase the difficulty of sales (Supreme Court Record 842).

The witness Angle was not a salesman and testified that he had never sold livestock (Supreme Court Record 408). He was then the manager of the Producers Commission Association. He employed salesmen and the salesmen of that agency were shown to have averaged only 432 cars of cattle handled per salesman for the year 1929. The questions addressed to him were leading, suggestive, and improper.

The witness Ecton was a salesman employed by the Producers Commission Association, one of those salesmen, so employed, who sold on the average only 432 cars of cattle for the year 1929. He personally testified that he had no knowledge or information of how many cars of cattle he could sell or had sold in any year or in any particular period. When asked to estimate how many cars of cattle he could sell, he said: "I just made a guess of it, what I could do, if I had a chance at it." He did not repeat his testimony, although called as a witness for the Government on the rehearing in 1932, but said that "the

market had been dull and cattle very hard to dispose of; the consignments were getting smaller and the market did not stand up under big shipments, and that these were conditions over which the salesmen had no control." He reiterated again and again in his testimony, as did the other witnesses, that the demand for livestock was the controlling factor in the ability to dispose of them. It is plain that this opinion and nonfactual testimony of these witnesses relating to the year 1929 is not only completely out of date relating to rail receipts rather than drive-ins which have greatly increased, but was originally intended to set forth or represent nothing but the maximum possible performance obtainable by a salesman, assuming that the salesman not only had all the cattle on hand to sell that they could sell, and assuming also that there was at all times a ready demand for the cattle or other species of livestock. Reference is here made to statements concerning this alleged evidence, all of which was objected to by respondents' counsel at pages 172 to 185, inclusive, of the brief filed by respondents in the Supreme Court of the United States, a copy of which is attached hereto and made a part hereof by reference for all of the purposes of these exceptions. The tentative report and findings are utterly misleading and deceptive and the reader can only gain a fair understanding of the value and character of this testimony by a reading of the entire transcript thereof.

62. TFF 140-a is excepted to for the reason that the said finding was incorporated in the "Report and Recommendations" manifestly without examination of the record and solely upon the suggestion made by the attorney prosecuting the case. The statement contained in said finding that "The performance per

salesman in 1929 ranged from 3,149 head to 24,912 head as to cattle and calves; from 10,429 head to 156,158 head as to hogs; and from 44,001 head to 245,746 head as to sheep" is inaccurate and untrue and contrary to the evidence, in that such computations were based upon the combined performance of salesmen and of buyers. The total selling and buying volume was combined by the accountant in arriving at the figures stated, whereas under all the evidence it was shown that cattle and other livestock can be purchased with much greater rapidity than they can be sold efficiently, and that a buyer is able to and does transact business with greater rapidity and in higher volume than a salesman. Under the evidence, if buying volume of the firm having the highest average as to cattle, 24,912 head, was excluded the average performance per salesman would amount to only 15,608 head in the case of that firm. The statement contained in this paragraph as to the determinations of the Government accountant with reference to salesmanship performance in 1931 wherein it is said that the Government accountant eliminated all that part of the salesman's time not spent in the actual sale of livestock and computed the performance on the basis of carload and its equivalents and combined selling with buying is technically correct but in the context of the "Report and Recommendations" misleading, deceptive and unfair in that the recognition of such a method of calculation as valid destroys the validity of conclusions previously stated in the Report that salesman's time should be considered as a unit in determining compensation for salesmen. It further appears that in the making of such calculations the total number of cars of livestock handled

was divided by a numeral not expressive in any instance of the actual number of salesmen employed in the selling of such livestock. This finding is further nonrepresentative of the record in that while it quotes from respondents' brief filed in the Supreme Court and refers to computations therein contained of the average salesmanship performance of the largest firm, it fails to reveal all of the statements correctly made upon the basis of the record in such brief and in the exceptions referred to in that it fails to state that the 23,866 head of cattle per salesman which constituted the highest actual salesmanship performance of any salesman employed by any agency upon the market was in the case of John Clay & Company, a firm which handled a relatively low percentage of trucked-in livestock which as shown by the evidence and in prior findings reduced in the case of that firm the number of sales per thousand head handled required to be made to a number much below the average for the agencies as a whole. The same situation related to the handling of sheep by said firm and the further fact was shown to be true by the record that in the case of that firm said to have handled 295,514 head of sheep per salesman, a head yardsman consummated the sales of trucked-in sheep during peak periods.

63. TFF 140-b is excepted to because said finding is not a finding of evidentiary fact nor is it shown to be based upon any evidence in the record properly cognizable by the Secretary but on the contrary thereof is a conclusion adopted in verbatim from suggestions made to the Examiner by the Government counsel prosecuting the inquiry. The statement contained therein as follows: "The evidence in this

case shows that the business is divided among more market agencies than are necessary for the efficient conduct of the marketing operations. In view of that fact the actual performance of salesmen cannot be used exclusively as a guide in determining reasonable salesmanship performance," is excepted to because subsequent paragraphs in the Report indicate that the Examiner failed to give the actual performance of salesmen any consideration whatsoever in determining what he considered to be the reasonable performance of salesmen, or in connection with the adoption of the former findings in respect thereto or conclusions reached by the prosecuting attorney in the original order, but did establish the reasonable performances of salesmen far in excess of the actual performance of any salesman or set of salesmen shown by the record. Reference is made in this so-called finding to "other facts of record bearing upon the operations of respondents" without statement as to what such other facts of record so referred to may be or what facts of record were considered or to be considered in connection with the determination to be made. Thereby such finding fails to constitute a fair and impartial analysis of the evidence or finding of evidentiary fact available for the Secretary in the determination of the issues in this proceeding.

64. TFF 142 is excepted to on the ground that it entirely eliminates from consideration all the evidentiary facts in the record, including all the accounting statistics developed by the Government accountant and respondents' accountant as to the actual salesmanship performance at the Kansas City stockyards, both in the respondent agencies as a whole and in the larger or more efficient firms (Government Exhibit 115–B), some of which were wholly

employee-operated, and predicates the conclusion of fact therein contained improperly but entirely upon conclusions or opinions expressed by the incompetent witnesses as referred to in TFF 140 given in answer to improper hypothetical questions addressed to such witnesses. In so predicating such conclusions upon opinions expressed by such witnesses, it converts the opinions expressed by such witnesses from a carlot basis into a conclusion expressed in headage performance, contrary to all the other facts of record as to the character of salesmanship performance and the identity of receipts of livestock at the Kansas City stockyards. Appendix B to the brief filed in the Supreme Court by respondents herein, showing actual performance, is expressly made a part of these exceptions, the material therein contained and the statements made therein being taken wholly from an analysis of Government Exhibits 115 (Cost Study) and 115–B (Questionnaire). This exhibit shows that the average performance per salesman of the salesmen employed by the firm of John Clay & Company in the year 1931, as to cattle, was 23,866 head, which was the highest average salesmanship performance for salesmen of any firm during said year; as to hogs, 17,129 head; as to sheep, 295,514 head; that the average salesmanship performance of the salesmen employed by the Producers Commission Association was 19,026 head per salesman of cattle during said year, 41,422 head per salesman of hogs during said year, and 94,843 head per salesman of sheep during said year. The record further shows (through the evidence of C. H. Haren) without contradiction, that the chief yardman employed by John Clay & Company had been selling, during brief periods, particularly native sheep and

drive-ins (SR 928). This, and the relatively high headage per sale explain why John Clay sheep salesmen did not in fact reach the reasonable standard prescribed. In no instance did salesmanship performance, shown as a matter of evidentiary fact in the record, reach the volume in this paragraph expressed as reasonable salesmanship performance for an efficient salesman. The establishment for rate-making purposes of standards of performance substantially higher than even the most efficient salesmen had been able to reach in actual operations, and the adjustment to such arbitrary and hypothetical standards of selling, yarding, office and other salary costs actually experienced, is an attempt to exercise a tyrannical and dictatorial power not granted to the Secretary under the Packers and Stockyards Act, 1921.

Computation comparing result of hypothetical performance standards proposed as reasonable with actual experience as shown by audits and cost studies of Government accountants

CATTLE AND CALVES

	Firm No.	Salesmen required per tentative order	Actual salesmen
1. Number of full-year salesmen and buyers	10	4.121	6.327
	36	2.067	4.667
	54	6.390	6.917
All	61	78.77	182
2. Number of head selling and buying	10	119,814	
	36	86,051	
	54	185,312	
All	61	2,884,807	
3. Number of drafts selling and buying	10	21,611	
	36	26,922	
	54	19,776	
All	61	497,688	
4. Number of man-hours per year sell and buy (1)	10	2,572	3,948
	36	1,851	2,912
	54	3,987	4,316
All	61	49,182	117,312

Computation comparing result of hypothetical performance standards proposed as reasonable with actual experience as shown by audits and cost studies of Government accountants—Continued

CATTLE AND CALVES—Continued

	Firm No.	Salesmen required per tentative order	Actual salesmen
5. Sales per hour (3÷4)	10	8.402	5.474
	36	14.545	9.245
	54	4.960	4.582
All	61	*8.90*	*5.78*
6. Head per hour (2÷4)	10	46,467	30,272
	36	46,489	29,550
	54	46,479	42,936
All	61	*46.47*	*10.47*
7. Value per head	10	$46.51	
	36	46.51	
	54	46.51	
All	61	46.51	
8. Value per hour (6×7)	10	2,161.18	$1,407.07
	36	2,162.20	1,374.37
	54	2,161.74	1,996.95
All	61	*2,161.52*	*905.53*
9. Head per sale (2) (2÷3)	10	5.530	
	36	3.196	
	54	9.371	
All	61	5.22	
10. Minutes per sale (60÷5)	10	7,141	11,960
	36	4,125	6,490
	54	12,097	13,095
All	61	*6.74*	*16.09*
11. Value per sale (7×9)	10	$257.20	
	36	148.65	
	54	435.85	
All	61	*242.78*	

HOGS

1. Number of full year salesmen and buyers	10	1.137	2.333
	36	1.740	2.000
	54	.319	1.583
All	61	*18.89*	*50*

Computation comparing result of hypothetical performance standards proposed as reasonable with actual experience as shown by audits and cost studies of Government accountants—Continued

HOGS—Continued

	Firm No.	Salesmen required per tentative order	Actual salesmen
2. Number of head selling and buying	10	96,653	
	36	147,922	
	54	27,122	
All	61	*1,045,048*	
3. Number of drafts selling and buying	10	12,284	
	36	19,819	
	54	2,245	
All	61	*105,241*	
4. Number of man-hours per year sell and buy (1)	10	709	1,456
	36	1,086	1,248
	54	190	988
All	61	*7,669*	*51,800*
5. Sales per hour (3÷4)	10	17,326	8,437
	36	18,250	15,881
	54	11,281	2,272
All	61	*13.48*	*3.31*
6. Head per hour (2÷4)	10	136,323	66,383
	36	136,208	118,527
	54	136,291	27,451
All	61	*137.37*	*53.60*
7. Value per head	10	$14.04	
	36	14.04	
	54	14.04	
All	61	14.04	
8. Value per hour (6×7)	10	$1,913.97	$932.02
	36	1,912.36	1,664.12
	54	1,913.53	385.41
All	61	*1,913.23*	*170.24*
9. Head per sale (2) (2÷3)	10	7.868	
	36	7.464	
	54	12.081	
All	61	*10.11*	

Computation comparing result of hypothetical performance standards proposed as reasonable with actual experience as shown by audits and cost studies of Government accountants—Continued

HOGS—Continued

	Firm No.	Salesmen required per tentative order	Actual salesmen
10. Minutes per sale (60÷5)	10	3.463	7.112
	36	3.288	3.778
	54	5.319	26.408
All	61	*4.45*	*18.13*
11. Value per sale (7×9)	10	$110.47	
	36	104.79	
	54	169.62	
All	61	*141.94*	

SHEEP

1. Number of full year salesmen and buyers	10	.379	1.000
	36	.146	1.000
	54	2.364	2.000
All	61	*7.59*	*15*
2. Number of head selling and buying	10	94,843	
	36	36,575	
	54	591,026	
All	61	*1,896,608*	
3. Number of drafts selling and buying	10	4,607	
	36	3,922	
	54	6,068	
All	61	*42,867*	
4. Number of man-hours per year sell and buy (1)	10	236	634
	36	91	624
	54	1,475	1,248
All	61	*4,736*	*9,360*
5. Sales per hour (3÷4)	10	19,531	7,383
	36	43,099	6,285
	54	4,127	4,878
All	61	*9.06*	*4.53*
6. Head per hour (2÷4)	10	401,677	151,992
	36	401,923	58,613
	54	400,607	473,580
All	61	*400.47*	*202.62*

Computation comparing result of hypothetical performance standards proposed as reasonable with actual experience as shown by audits and cost studies of Government accountants—Continued

CATTLE AND CALVES—Continued

	Firm No.	Salesmen required per tentative order	Actual salesmen
7. Value per head	10	$5.33	
	36	5.33	
	54	5.33	
All	61	5.33	
8. Value per hour (6×7)	10	$2,142.00	$810.12
	36	2,142.25	312.41
	54	2,135.72	2,524.18
All	61	*2,134.61*	*1,080.02*
9. Head per sale (2) (2÷3)	10	20,587	
	36	9,326	
	54	97,081	
All	61	*44.24*	
10. Minutes per sale (60÷5)	10	3.074	8.127
	36	1.392	9.547
	54	14.538	13.300
All	61	*6.63*	*13.10*
11. Value per sale (7×9)	10	$109.73	
	36	49.71	
	54	517.44	
All	61	*235.80*	

NOTATION.—The comparisons here made are between all firms and so-called "reasonable standard" and three individual agencies—John Clay & Company (No. 54), Producers Commission Association (No. 10) and Farmers Union (No. 36), and Findings in Tentative Order.

1. The number of "man-hours per year" is figured on the basis of 208 active market days, of three active selling and buying hours each per day. This computation gives no effect to the actually existing extreme variation in volume between days and seasons and arbitrarily assumes an even average volume throughout the year. Peak loads are thus given no consideration.

2. This calculation on the basis of "Government Exhibit 115," showing "Head per Sale," discloses the extreme variability in this respect between individual agencies and in the time required by salesmen to dispose of given headage. The exhibit as a whole, when considered in connection with "Respondents' Exhibit 249," showing Gross Proceeds per head for rail as compared with drive-in consignments, discloses the great disadvantage to producers resulting from the greater rapidity of individual sales applying to smaller consignments. This differential in price realized per head as between larger and smaller headages per sale exists as to all species and amounts to many times the total commission charges (Respondents' Exhibit 249).

Application of the so-called reasonable performance standards set out in this paragraph to actual conditions obtaining at the market would result in a reduction of the number of cattle salesmen from 188 men actually engaged in cattle selling to 78.77 men, of hog salesmen from 50 to 12.29 men, of sheep salesmen from 15 to 7.59 men. The proposed order therefore assumes that the flow of livestock to the market can be so adjusted as to permit the work now being performed by 253 men to be done by 98.65 men. Even assuming an even daily distribution of receipts—a condition impossible of existence on account of climatic and producing conditions—this would be impossible. The foregoing tabulation, consisting of a computation setting forth on the basis of an arbitrary division of the total annual volume between all of the two hundred and eight active market days of the year, shows that upon the 1931 basis of operation with 188 cattle salesmen, 50 hog salesmen and 15 sheep salesmen the average realization per active selling hour per salesman for the customer was $905.55 with respect to cattle and calves, $470.34 with respect to hogs, and $1,080.02 with respect to sheep. Impossibility of efficient selling would be the inevitable result of the rapidity of sales required by the standard set by the proposed order. This would operate to the great detriment of the producer, and to the financial advantage of the packer who buys the livestock.

65. TFF 143 is excepted to on the ground that the assumptions therein contained are based on TFF 139, 140, 140-a, 140-b, 141, and 142 and are entirely unwarranted and unsupported by evidence, and upon the further fact that the alleged reasonable per-head

cost therein stated to be covered into rates on account of salesmanship arbitrarily ignores the testimony of Government accountants and gives no consideration to the actually experienced cost incident to the employment of salesmen as developed by the Government accountant and brought into evidence in the Government cost studies.

TFF 143 is further excepted to because each and all of the annual salaries of salesmen therein set out as "reasonable"; namely, $4,000.00 for cattle and calf salesmen; $3,000.00 for hog salesmen; and $3,500.00 for sheep salesmen are unreasonably low, particularly when related to the unreasonably high performance standards set out in TFF 142.

66. TFF 144 is excepted to upon the ground that the unit costs therein set up as representative of yarding salaries paid by individual agencies are wholly non-representative of the unit costs of yarding salary expense of the particular firm actually sustained and shown by the Government cost studies and all the evidence in the record (Government Exhibit 115). In many instances the method employed has caused the per head cost incident to yarding salaries set out therein to appear extremely low or to be absent altogether, so that it is manifest, as stated in paragraph 134, that no fair normal can be gathered from the unit costs of the remaining firms for this item.

This paragraph in the report is further excepted to because the "normal" selected, even upon the unfair, unreasonable, and illogical allocation of expense adopted is abnormal in that only nineteen of the firms whose unit costs are reputedly set out are below the so-called normal in costs while thirty-seven of such firms as to cattle and calves are above. In respect

of hogs, twenty-six firms had costs above and twenty-five below, and the firms were evenly divided on that score as to those that were above and those that were below the normal selected in respect of sheep. However, hogs and sheep and the revenue therefrom as shown by the evidence and as set forth in previous findings are of almost inconsequential volume from the standpoint of gross revenue yield in that the Kansas City market is primarily a cattle market.

67. TFF 146 is excepted to on the ground that the figures therein contained purport to be the office salaries allocated to each of the species and representative of the unit cost thereof as to each of the different firms whose costs were considered by the Government accountant, whereas the figures set out in said schedule do not conform to and are not the respective unit costs found by the Government accountant in the cost study introduced in evidence as Government Exhibit 115, and are in no instance fairly representative of actual costs. It, therefore, follows that the deduction therefrom attempted by said finding of "reasonable and normal costs to be covered into rates on account of office salaries" is unjustified and improper, and that the so-called reasonable cost as expressed on a per head basis as to the different species on account of office salaries are not the reasonable or normal costs properly applicable under the record to such account.

The result of a comparison of the per head unit expenses and the abnormal allowance in office salaries is as pronounced as in the case of yard salaries.

88. TFF 148 is excepted to because, while purporting to relate to business-getting and maintaining expenses exclusively, it in fact includes administrative and operating expenses, such as all of the expenses

incident to the support and maintenance of the Kansas City Live Stock Exchange, the maintenance of a Clearing House for cash items or items of credit theretofore under the evidence and in prior findings suggested in the Report included as the expense of joint activities, traveling expenses incident to business operations in large amount and other classifications of expense not in anywise incident to business promotional activities. The apparent purpose was not to fairly summarize the testimony as to business-getting and advertising expenses, but to combine such expenditures with different types of operating expenses in such a fashion as to make it falsely appear that advertising expenditures were unduly burdensome in the business as incurred by the market agency respondents. The reference in this paragraph to the testimony taken subsequent to June 2, 1938, follows this plan by consolidating advertising expense with other types of expenditures for the years 1931 to 1937 as to all agencies when such expenses were not consolidated in the evidence introduced and thereby making it appear in this paragraph of the report that such expenditures for the years in question were more than three times greater in amount than the evidence actually shows them to have been. In referring to the oral testimony of two of the witnesses who testified at the last hearing no attempt is made to analyze such testimony as was actually given or submit it to the Secretary for his consideration, but on the contrary thereof, the statement is made "These witnesses were unable to recall the amount of expenditures for business-getting and maintaining in their respective agencies for certain specific years, or the exact amount of the volume of the receipts of such agencies for specific years."

The unfairness of such a reference and also of the questions which were addressed on cross-examination to the witnesses is entirely manifest inasmuch as no witness without the aid of the books and records of the agency could truthfully state exactly what such expenditures were for any past year or what such receipts were for any such past year. This evidence, however, was in the official reports of operations in exact detail filed with the Secretary of Agriculture annually and available under stipulation to the Examiner or to Government counsel. Exception is taken to this paragraph of the Report because, for the reason stated, the Report fails to impartially and fairly sift, analyze and summarize the evidence in the record or to follow the Rules of Practice heretofore promulgated by the Secretary of Agriculture in that connection. This paragraph is further excepted to because the statement made at the conclusion thereof in relation to competition in the commission business to the effect that the amount expended for business getting and maintaining is limited only by what can be afforded under the existing rates, whatever they may be, is untrue and inaccurate, not a statement or finding of evidentiary fact, and unsupported by any substantial evidence. It is further excepted to on the ground that the allowance of 10% of total reasonable cost and reasonable profits for business getting and maintaining is mathematically inaccurate, purely arbitrary, is not based upon the record or upon the preceding figures, in this or any other finding or upon any fact in evidence, but only upon the purely speculative, hypothetical, inaccurate and incorrect statements contained in the finding which are not supported by evidence, and which are wholly inconsistent with actually expe-

rienced costs developed by the record and shown in evidence to have been necessarily incurred by the Government's own accountant. The costs set out therein are not the reasonable cost of performing the function to which they are intended to relate but are unreasonably low and far less than the actual costs sustained by any agency of substantial volume. All of the categories of field service expense arbitrarily ignored and disallowed by this finding are expressly approved as necessary and essential to proper operation of a market agency business on public markets by Technical Bulletin issued by the Secretary of Agriculture in February, 1928 (Resp. Exh. 18).

69. TFF 149 is excepted to because, while purporting to make reasonable allowance for administrative and general expense, it fails to include any allowance for various expenditures incident to the payment of Social Security Taxes and other forms of State and Federal Taxes originating and effective subsequent to June 14, 1933, and prior to November 1, 1937; fails to include or make any allowance for expense incurred necessarily by respondents in connection with this inquiry and the litigation arising by reason of the invalidity of the order entered as of June 14, 1933, as shown in evidence, and fails to include or make any allowance whatsoever for the expense shown in the record to be incident to the administration and maintenance of the Kansas City Live Stock Exchange and the joint activities essential to the operation of the respondent market agencies referred to in previous findings.

70. TFF 150 to 154, inclusive, all of said paragraphs contained in the "Report and Recommendations" having relation to the subject of insurance and insurable risks, are excepted to because they fail to

give any consideration whatsoever to a substantial item of insurable risk expense or cost set up, referred to, and accounted for in the Government accountant's cost study (Government Exhibit 115), such expense being that expense incident to the procurance of public liability insurance and a proper allowance to cover this insurable risk. The elimination of any reference to this evidence or to this insurance risk cost results in a head allowance in TFF 154 unreasonably low, ignoring costs admittedly existent, the total of which amounts to the sum of $9,916.90.

71. TFF 159 to 162, inclusive, appear under the general title *"Profits,"* because the title of the section is deceptive and misleading, the findings contained therein not relating in any sense of the word to "profits," having wholly to do with the matter of compensation for management and operating expense and the carrying of uninsurable risks. The findings therein contained and the allowances made do not fairly analyze and summarize the testimony upon the subject matters to which the findings purport to refer, and fail to give consideration to the evidence shown in the Government accountant's own cost study (Government Exhibit 115) disclosing that a total of over $55,000.00 in bad debts and over $13,000 in losses due to refused purchases incurred in the operations of respondents in the year 1931 was thrown out of consideration in said cost study as representing nonrecurring expense items in the particular amount but on the premise that adequate allowance by the order would be made to cover such inevitable losses incident to the transaction of a business involving many millions of dollars, and because, although the evidence positively disclosed tremendous economic and financial

losses to those engaged in the business involving the discontinuance of business by many of the agencies and the depletion of working capital of other agencies during the period 1931 to 1937, no allowance is made therefor.

Paragraph 162 is excepted to for the reason that the statement "The rates hereinafter prescribed represent something more than the reasonable cost plus reasonable profit" is inaccurate and untrue as hereinafter pointed out in subsequent exceptions. This section of the Report is further excepted to because it fails to refer to, analyze, reflect, or summarize in any way the evidence submitted subsequent to June 2, 1938, showing that the agencies had incurred in connection with the several hearings under this inquiry and the litigation involving the validity of a former order made thereunder, expenses for accountants' services and attorneys, aggregating in excess of $165,000.00, which said expenses were necessary expenses, properly and lawfully allowable as a part of the reasonable and necessary expense of engaging and continuing to engage in the business of market agencies at the Kansas City Stockyards.

72, TFF 163, constituting a summary of previous findings relating to alleged reasonable per head cost and so-called reasonable profits, is excepted to on the ground that none of said findings so summarized is supported by evidence in the record, and each is against the weight of the evidence. Each and all of the conclusions therein stated as to reasonable per head costs by species and as to so-called reasonable profits are, in fact, statements of costs unreasonably low. This finding, as in the case of other findings, should be corrected by substitution therefor of proposed findings as hereinafter suggested.

73. TFF 163-a. Exception is taken to this paragraph because it is an incomplete, inaccurate and unfair statement of the average per head revenue on the different species of livestock handled which the rates and charges set out in paragraph 180 of the Report would yield to respondents, because it affirmatively discloses by reference to the invalid order of June 14, 1933, as a tentative order the fact that the Examiner in the preparation of his "Report and Recommendations" considered himself to be bound thereby and required to follow same in his consideration of the case; because positive and uncontradicted evidence (T. 3, pp. 615, 616) showed that the yield to be expected from rates and charges prescribed in said order of June 14, 1933, was not as stated in this paragraph, but on the contrary thereof in the *actual* application of said rates, resulted in a per head revenue as to cattle and calves of $0.4504, as to hogs $0.2173, and as to sheep $0.0867. This paragraph is excepted to by reason of the assumption incorrectly and inaccurately made that the rates and charges to be recommended in the Report were to be those specified in the former order; that the per head revenues to be realized would be the same; and in the further assumption, incorrectly made, that such rates and charges would produce per head revenues in excess of the so-called reasonable costs and set forth in the preceding paragraph 163 by $0.0282 as to cattle and calves, $0.0280 as to hogs, and $0.0196 as to sheep. In fact, the said rates and charges so applied would not and did not leave any margin above the so-called reasonable costs as to cattle and calves, but did leave, according to the evidence, above the so-called reasonable costs, a very small

but somewhat larger margin as to hogs and sheep, than is stated in said paragraph. The revenue from hogs and sheep is comparatively inconsequential in the operation of most of the respondent agencies and the error as to cattle and calves is in no substantial way compensated for by the error as to hogs and sheep revenue.

74. TFF 164 is excepted to because it contains the same false, untrue, and inaccurate statements concerning the differences in the expenses of respondents as between the respective years 1929 and 1931 heretofore referred to in the exceptions to Finding 113. The record affirmatively shows that agencies were forced to discontinue operation by low income in this period. A substantial reduction in expenses was reflected in the audits of 1931, contrary to the assertion in this Finding. It does not and cannot follow, therefore, as stated in said finding, that the costs in the tentative order before set forth cover the situation as existing before the depression brought about reductions in expenses (Govt. Exhs. 15 and 115). The correction of this finding is set forth at the conclusion of the exception to TFF 113.

75. TFF 165 to 168, inclusive, are findings carried under the general heading of "Buying Costs" and contain the statement that "the record indicates that in the normal course of business a competent buyer can buy as many animals of a species as an equally competent salesman can sell." This statement meant to convey the impression that buyers cannot with efficiency and fidelity to his principal purchase no more cattle than the average salesman can efficiently sell is inaccurate, misleading, and deceptive inasmuch as the record does affirmatively disclose that buyers do on the average, purchase more animals than an

equal number of salesmen can efficiently sell. The record also discloses that yarding expenses, advertising, and inspection and appraisals in the country are considerably less expensive in the case of buying than in the case of selling. The effect of this statement and the conclusions subsequent thereto drawn therefrom was to permit buying rates to be authorized under this order approximately forty percent higher than corresponding rates at the Chicago market then in effect as compared with an authorization or order fixing selling rates at maximums forty percent lower than Chicago.

76. TFF 176 is excepted to because of the incorrect reference contained therein, evidently as a result of the purely mechanical recopying of the original invalid order of June 14, 1933, to "the last hearing in this proceeding," when it is plainly intended that reference should have been made to the second hearing in the proceeding had prior to June 2, 1938.

77. TFF 179 is excepted to upon the ground that "costs heretofore determined" as referred to and set out therein are unreasonably low; and rest wholly on conclusions unsupported by any substantial evidence; and upon the further ground that there is no basis under the evidence or in any proposed finding to conclude that "respondents' schedules of rates and charges now under investigation contain rates and charges which are unreasonable, and unjust, and discriminatory."

78. TFF 180, setting out rates, is excepted to on the grounds that it contains no finding of fact or conclusion of fact based upon the evidence as to the yield of the ordered rates or the rates theretofore found unreasonable, and because the rates and

charges set out therein are without support in the evidence and are unjust and unreasonable in amount.

This paragraph is further excepted to because exhibits prepared by John W. Roberts, Esq., introduced in evidence in former proceedings and herein, being numbers 1 to 19, inclusive, and made a part hereof, disclose that the gross yield of the selling rates and charges proposed by this paragraph if applied in the test year 1931 would have been less in amount than the total cost of the operation of respondents' businesses as recongized by the Government's chief accountant in the cost study introduced in evidence (Govt. Exh. 115). After allowing the inadequate return on capital provided by this tentative order, 24 of the respondents would sustain net operating deficits on the basis of the Government's own showing of costs and exclusive of any compensation whatsoever to owners for personal services rendered in connection with the operations. As of the test year, 1931, under the rates and charges no compensation would be realized to apply upon the personal services of 136 of the owners of respondents' businesses. These rates would provide an average annual compensation per man for each owner of $174.50 or 48¢ per day per owner. On the same basis the total compensation for the personal services rendered by the owners of the eleven agencies handling more than 50% of the total market volume of livestock at the Kansas City Stockyards in 1931 would be eliminated entirely and the owners of these respondent firms would have lacked $20,640.28 of being able to meet the inadequate allowance for return on capital invested therefore provided for by the proposed order. The owners of the twenty-three market agency respondents, inclusive of the eleven above referred to, who handled more than

75% of the total market volume would, upon the basis of the Government's own cost study (Exh. 115) receive no compensation whatsoever for personal services rendered and a return on capital invested amounting to only 60% of the inadequate return thereon suggested by the tentative order. The net operating loss in 1931 to be sustained on the basis of the Government's own cost showing by the two cooperatively organized agencies who employed all the service rendered in connection with their operations would have been respectively $22,786.76 (Firm No. 10), and $14,346.02 (Firm No. 36). In this connection it should be borne in mind that the costs and expenses recognized by the Government's accountant (Govt. Exh. 115 p. 15) include none of the expense actually sustained arising out of refused purchases, interest and exchange items paid, donations to Community Chests; make no allowance for reasonable profit and establish no reserve to meet uninsurable hazards or to provide interest on invested capital. After all these eliminations the cost recognized by the cost study prepared by the Government accountant (Exh. 115) is as to all of the respondents in the proceeding for the year 1931 $459,200.73 in excess of the total costs found as reasonable by the order and reflected in the proposed rates and charges set out in this paragraph of the order. In the case of the firm of John Clay & Company (No. 54) if applied in the year 1931, these rates exclusive of any compensation to owners would fail to provide anything to cover the sum of $5,308.63, an amount which the order would allow as return on invested capital to this agency, and would create in addition a net out of pocket operating deficit on the basis of the Government cost study (Govt. Exh. 115) of $3,359.54 or a total deficit to the

firm of John Clay & Company of $8,668.17 (Pet. Exhibit No. 4, sheet 2). A typical illustration of the effect of these rates as set forth in this paragraph of the tentative order upon a market agent, respondent herein handling a smaller volume is presented in the case of John N. Nichols (Firm No. 9). He handled a relatively small volume. He did practically all the work—selling, yarding, and office work (Govt. Ex. 115 B. R. Vol. IV, p. 10). The average gross proceeds per head of the yearling cattle sold by him in 1931was the highest of any agency and of heavy cattle the second highest (Res. Ex. 249). Manifestly his clients gave him good cattle to sell and he sold them to great advantage. Mr. Nichols had been engaged in livestock marketing more than 30 years. Much of that time he was the head buyer for a large packer—Morris & Company at Kansas City. He drew a very large salary as such a buyer until Morris & Company went out of business when purchased by Armour (Res. Ex. 204). In his case the Government accountants included only $78.63 to represent compensation for selling these cattle and $283.08 for yarding the cattle; assigned the rest of his allowed compensation to other expense (Govt. Ex. 115B, Sheet 9, R. Vol. IV, p. 10). The gross proceeds of all livestock this appellant handled in 1931 amounted to $328,040.61 (Pes. Ex. 243, Col. b and c, R. Vol. III, p. 42), and of cattle alone, $113,172.55 (Res. Ex. 249, col. k, R. Vol. III, p. 43). The application of the proposed rates to his business in 1931 would have left nothing to him as return on investment or as compensation for his year's work, but instead would have produced a net deficit, on the basis of the Government's accountants' report which eliminated certain expenditures, amounting to $285.79 (Pet. Ex. No. 4, col. j,

R. Vol. III, p. 6). The competency of such a man cannot be questioned. He employed no specialty salesmen to assist him in his work. He had one extra cattle yardman to whom he paid a compensation during the year of $120.74, so it is apparent that he did most of the yarding of cattle himself. He employed two hog yardmen, paying a total compensation of $1,144.15. His sheep were sold on a split commission basis. He paid to another firm for furnishing him with office facilities $1,800.00 (Govt. Ex. 115B, R. Vol. IV, p. 10). He used his own automobile and charged up on his books only $76.00 of the year's expense in operating it. He sent out few circular letters and spent only $23.80 for specialties and novelties. Under the rates in effect in 1931, his net profit as return on investment and compensation for personal service was $1,572.62. He sold 15,252 head of livestock, making 1,919 separate transactions of sale for 1,240 owners. He bought 2,331 head of livestock, making during the year 102 separate purchases for 64 owners (Govt. Ex. 114–9, Schedule 3).

The actual effect of the imposition of said rates and the impoundings required during the period from June 14, 1933, to November 1, 1937, of the difference between the yield of the rates formerly in effect and the rates contained in the order of June 14, 1933, which were identically the same as the rates now proposed in this report was shown by undisputed testimony. This evidence discloses the ruinous effect thereof upon the business of the respondent market agencies. This evidence was summarized in the findings hereinbefore set out, requested by respondents prior to the preparation of the "Report and Recommendations" of the Examiner.

79. These respondents further except to the two concluding paragraphs of said "Report and Recommendations" wherein the Examiner purports to order that the respondent market agencies and each and every one of them on or after thirty days from the date of said Report, namely, January 17, 1939, cease and desist from charging, collecting, demanding, or retaining for any stockyard service rendered by them during the period from July 23, 1933, to November 1, 1937, any rate, charge, or revenue collected in excess of the rates and charges found in said paragraph 180 of said Report to be reasonable, such an order being in form and substance illegal in character and without the authority of the said Examiner to enter or propose herein and without the authority of the Secretary of Agriculture to make or enter in this proceeding, or in any other proceeding, as affecting the respondents herein.

80. Upon the basis of each and all of the foregoing exceptions, 32 to 79, inclusive, these respondents request the Secretary to find as a fact that each and every one of the findings and statements contained in said "Report and Recommendations" and referred to in said exceptions as being against the weight of the evidence or unsupported by substantial evidence, in part or in whole, should be eliminated from any finding, conclusion or order herein, and that the Secretary further specifically find that the following paragraphs of said "Report and Recommendations" are against the weight of the evidence and not supported by substantial evidence and should be eliminated, namely, paragraphs 113, 131, 131–a, 135, 136, 140, 142, 143, 144, 146, 148, 159, 162, 164, 165, 179 and 180.

Findings requested of secretary addressed to "the report and recommendations of examiner"

81. "1. The actual number of head of cattle and calves, hogs, and sheep, respectively, sold on the average by the salesmen of the market agencies of larger volume of the various species for which the unit costs are to be established is a fair measure of the sales performance which can be reasonably expected under the conditions obtaining in the Kansas City stockyards and the tentative order inserting as a standard for salesmanship costs, performance figures, unreasonably high and above the actual performance of any salesman for any agency, is arbitrary and without support in the record."

82. "2. It is not reasonable to expect a salesman of cattle and calves on the Kansas City stockyards under the conditions there obtaining to sell 29,000 head of cattle and calves per annum."

83. "3. It is not reasonable to expect a salesman of hogs on the Kansas City stockyards to sell 85,000 head of hogs per annum under the conditions there obtaining and as shown in the record."

84. "4. It is not reasonable to expect a salesman of sheep on the Kansas City stockyards to sell 250,000 head of sheep per annum under the conditions obtaining there as shown by the record."

85. "5. The selling and buying costs relating to salesmanship as set forth in the 'Report and Recommendations of Examiner' are each and all as to every species unreasonably low and unwarranted by the evidence."

86. "6. The selling charges fixed by the proposed order for calves, yearlings, and cattle, for swine, and for sheep or goats are each and all of them unreason-

ably low as is demonstrated by the fact that if applied for the test year 1931 to the business done by those 11 petitioner concerns conceded by the Secretary to have handled over 50 percent of the business and received over 50 percent of the revenues for the years 1929 and 1931, the aggregate deficit would amount to $20,640.28 before any compensation to the owners of said concerns for the personal services performed by them or for the reasonable profits to which they are entitled."

87. "7. The selling charges fixed by the order for calves, yearlings and cattle, for swine and for sheep or goats are each and all of them unreasonably low, as is demonstrated by the fact that if applied for the test year 1931 to the business done by those 23 respondent firms conceded by the Secretary to have done more than 75 percent of the business in the years 1929 and 1931, would result in a deficit of $15,526.94 before any compensation to the owners thereof for the personal services performed by them or for the reasonable profits to which they are entitled."

88. "8. The selling charges fixed by the order for calves, yearlings and cattle, for swine and for sheep or goats are each and all of them unreasonably low as is demonstrated by the fact that if applied to the business done by agency No. 54, John Clay & Company, which in the test year 1931 did an annual business of $12,267,430.93, the largest business done at the market, would result in a deficit of $8,668.17, and the owners of said concern would receive nothing for the personal services performed by them and nothing in the way of a reasonable profit."

89. "9. The selling charges fixed by the order for calves, yearlings and cattle, for swine and for sheep

or goats are each and all of them unreasonably low as is demonstrated by the fact that if applied to the business done by respondent Swift & Henry Live Stock Commission Company in the test year 1931, which business was the second largest on the market and amounted to $10,226,699.02, would result in a deficit of $2,676.99 before any compensation to the owners thereof for the personal services performed by said owners or for the reasonable profits to which they are entitled."

90. "10. The selling charges fixed by the order for calves, yearlings and cattle, for swine and for sheep or goats are each and all of them unreasonably low as is demonstrated by the fact that if applied to the business done by respondent Martin, Blomquist & Lee Commission Company in the test year 1931; amounting to $8,600,812.51, the third largest business on the market, a deficit would result in the amount of $740.20 before any compensation to the owners thereof for the personal services performed by them or for the reasonable profits to which they are entitled."

91. "11. The prices obtained in the sale of cattle by said three concerns, and each of them, were among the best realized upon the market in the test year 1931" (Resp. Exh. 249, Firms' Nos. 54, 59, 63).

92. "12. Most of the services rendered by the market agencies in the country to the raisers of cattle by way of inspecting and appraising their stock and advising concerning its handling, is auxiliary to the selling service and is of considerable assistance to the cattle raisers in obtaining the best price for their cattle, the variation in the prices obtained for cattle of substantially the same kind, grade and quality

being many times the commission rates for selling the cattle found by the Examiner (Sec. 13)."

93. "13. The allowance contained in the 'Recommendations and Report' for so-called 'business-getting and maintaining' of 10 percent of what the order purports to find to be reasonable costs plus reasonable profit, is arbitrary and has no foundation in the evidence."

94. "14. Finding 144 of the 'Recommendations and Report, while purporting to set forth the per head results obtained by the Government Cost Study in allocating yarding salaries direct to species, does not do so but in practically every case there is a wide divergence between the unit costs found by the Government Cost Study and those set forth by the Examiner."

95. "15. Finding No. 146 of the 'Recommendations and Report,' while purporting to set forth the per head results obtained by the Government Cost Study in allocating office salaries direct to species, does not do so but in practically every case there is a wide divergence between the unit costs found by the Government Cost Study and those set forth by the Examiner."

CONCLUSIONS

In the event the Secretary of Agriculture finally overrules respondents' motions and objections addressed to his power and jurisdiction to enter the order of June 2, 1938, purporting to reopen this proceeding, and to his power and jurisdiction to conduct any proceedings therein or under the pending notice of inquiry, and respondents' motions and exceptions heretofore made and referred to in connection with the procedure herein, respondents state that they

desire to argue these exceptions and their objections to this proceeding, and to orders heretofore entered without hearing, before the Secretary of Agriculture personally and to be allowed as time for said argument a period of not less than two days for the reason that the record is of such a large scope and content, the issues have become so involved by reason of the unfair and arbitrary procedure adopted as hereinbefore stated that no less than two days' time will be required by counsel to properly cover the issues raised and adequately acquaint the Secretary with the actual evidence in the record. This statement, however, is made without waiving any of the matters set up and referred to in the aforesaid motions, objections, and exceptions and is not to be construed in any way as an election because respondents make this request under the compulsion of said rule and deny that any authority to determine issues as herein presented is extended by the Packers and Stockyards Act 1921 to any person other than the Secretary of Agriculture himself.

Respectfully submitted.

FREDERICK H. WOOD,
JOHN B. GAGE,
Attorneys for Named Respondents.

Of Counsel:
THOMAS T. COOKE,
CARSON E. COWHERD.

UNITED STATES OF AMERICA

BEFORE THE SECRETARY OF AGRICULTURE

BUREAU OF ANIMAL INDUSTRY

Docket No. 311

SECRETARY OF AGRICULTURE

v.

L. B. ANDREWS, DOING BUSINESS AS L. B. ANDREWS LIVESTOCK COMMISSION COMPANY ET AL., MARKET AGENCIES, DOING BUSINESS AT THE KANSAS CITY STOCKYARDS, KANSAS CITY, MISSOURI, RESPONDENTS

STATEMENT OBJECTING TO PROCEDURE AND RULINGS OF EXAMINER

Now come each of those certain respondents who have heretofore filed exceptions to the "Report and Recommendations" of the Examiner, by their attorneys, pursuant to the Rules of Practice promulgated by the Secretary of Agriculture, but still relying upon and not waiving each of the motions, objections, and exceptions heretofore filed, and present the following statement of objections to the procedure and rulings of the Examiner in this proceeding:

1. Because the Examiner erroneously denied the motions of respondents severally presented for separate and independent hearings with respect to each of said respondents (T–I, pp. 16, 17).

2. The Examiner erroneously and to the prejudice of the respondents refused to permit the Government witness, John J. Bachmann, chief accountant for the Packers and Stkocyards Division, to be questioned by respondents' counsel upon matters material and competent to the issues relating to the order of May 18, 1932, in this proceeding, and erroneously denied respondents' offer of proof subsequently made in relation thereto. The witness had previously testified as to the making of certain incorrect tests of the revenue-producing capacity of a schedule of rates, the result of which on May 10, 11, and 12, 1932, he reported to his superiors in the Department of Agriculture (T. 1193, 1214). The following questions were directed by respondents' counsel to this witness, the following answers given by the witness, erroneous rulings made by the Examiner excluding his testimony on improper objection of Government counsel, and denying the offer of proof made by respondents (Tr. 1700, 1701, 1705).

> Q. Did you make a test of the rates prescribed in the Secretary's order as applied to the business at Kansas City before that order was promulgated?
>
> A. No, sir.* * *
>
> Q. Did you assist anyone who was engaged in the preparation of the order between the dates of the former hearing and May 18, 1932, or have anything to do with any matters that concerned this Kansas City proceeding?
>
> Q. Mr. BOHANNAN. Just a moment. Objection to this particular question and any and all other questions of the same tenor, for the reason that the Secretary's order speaks for itself, is probably already and by virtue of its issuance a part of the record in this proceeding, but, if not, will certainly be because

it is our purpose to offer it in evidence, that is to say, it certainly will be offered, and the testimony sought to be elicited by this question and any other question of the same tenor which may be asked are not germane to any issue in this proceeding.

The EXAMINER. Objection sustained.

Mr. GAGE. The respondents offer to show by this witness as a proper part of cross-examination that he did assist in the preparation of the order and in the accounting service falling within the range of his duties to which he has testified were assigned to him within the Department not only for the purpose of testing the validity and fairness and accuracy of statements previously made by him both on direct, cross, and re-direct examination, but for the purpose of showing that neither the Secretary of Agriculture nor, in his absence, the Assistant Secretary of Agriculture, had anything to do with the preparation of this order or the actual determination of the issues involved in the order of inquiry in this proceeding. That offer of proof is here made severally on behalf of each of the respondents involved, and we ask a ruling whether or not the offer shall be granted or denied. * * *

The EXAMINER. Offer of proof denied.

The aforesaid rulings of the Examiner were improper, unfair, and erroneous.

3. During the direct examination of W. T. Angle, a witness for the Government, the witness was asked the following question by Government counsel, the objection to which by respondents' counsel was erroneously overruled (T–I, 1682):

Q. Taking an average day, would you state approximately the proportion of the proceeds of sales which are collected on the day the sale is made?

> Mr. GAGE. That is objected to. The records would be the best evidence. I do not believe that any witness could answer that question intelligently unless the witness had made a special investigation, in which event I will withdraw my objection. * * *
>
> The EXAMINER. The objection overruled (T–I, (1685).

The witness was then examined in regard to the capital requirements of market agencies (T–I, 1691, 1692, 1693). The following question was addressed to the same witness by Government counsel:

> Q. Now, suppose that difficulty which you have just described was removed by all the buying agencies at the Kansas City market through a trade practice agreement or some other way of making a rule that the customer for whom you buy either must provide cash or cash equivalent or else would be charged exchange, in your opinion would it be impracticable for the customers to comply with such a rule? (T–I, 1695).

This question was objected to by respondents "because it is predicated upon a condition which does not exist upon this market or, as far as I know, upon any other market." This objection was erroneously and improperly overruled by the Examiner (T–I, 1700).

4. The Examiner erroneously refused to permit the production of books and records of the Producers Commission Association in connection with the examination of the Government witness Angle to the prejudice of the respondents. This witness had testified that his firm, Producers Commission Association, organized in 1923, entered business in that year at Kansas City and had prepared every year a

financial and audit statement of their business, and that these statements were available back to the date of the organization of the firm; that he could produce them. The request was made by respondents that he produce them in connection with his examination as a witness (T–I, 1778). The Government counsel then objected to the witness producing these statements and stated that he would offer an objection to putting them in the evidence, or to questioning the witness concerning them (T–I, 1779). Counsel for respondents then stated (T–I, 1784, 1785):

> Now, there is another reason why this testimony is material—here is a new competitor set up which we will show is financed not by private individuals but you might say has its hand right on the doorknob of the United States Treasury, coming in here to contest with these other respondents for the business which is available to this market. Now, that is competition of a sort that is dangerous and it is subsidized competition. We have a right to show its nature in this record, show what it is, and then let the Secretary determine a rate that is based upon its existence here, and let a court, if it should ever have occasion to review this record, see what the actual situation is. This witness has testified that any individual that owns livestock is free, with or without membership, to consign that livestock to his concern, get any savings that may result from so doing, and we will develop later the conditions that surround the operation of that agency. I suggested to Mr. Bohannan half a dozen times, as the Examiner knows, in this record, that instead of having any trouble or examining any witness about those facts, or making it appear like we were attacking another individual, just to let the facts go in

as agreed and stipulated. The Government certainly knows what the facts are. I believe the Secretary is *ex officio* a member of the Farm Board and we have to get them into this record in order that they may be here. I am not seeking the development of this situation, but it is forced upon me, as the representative of the respondents that I happen to represent here, to bring out these facts, but if we couldn't do it by agreement, although they are matters in which the Government itself is concerned, why, we have to do it the best way we can, otherwise.

The ruling was deferred by the Examiner, who, after taking it under advisement, erroneously ruled that the matter would be irrelevant from March 6, 1923, to January 1, 1929.

Whereupon the following offer of proof was made on behalf of respondents as shown by the transcript (T. 1836, 1837, 1838, 1839, 1840):

Mr. GAGE. Now, on behalf of the respondents that I represent, I offer to prove by the books and records, the production of which is denied by order of the Examiner, that the Producers Commission Association entered the livestock commission business as a market agency at the Kansas City stockyards early in the year 1923; that in that year it handled 214,735 head of livestock and collected commissions thereon amounting to the gross sum of $80,414.32; that its operating expenses that year were $78,962.48; that its net earnings that year were $1,451.84, resulting in a net profit amounting to 1.81% of the gross commissions; that in 1924, the following year, and after the proceedings before the Secretary had taken place and which were reviewed by three District Judges of the Federal Court in this

district, had occurred, this company handled the total number of 301,957 head of livestock and collected gross commissions during the year 1924 amounting to $91,837.19; that the operating expenses of this association during that year were $106,657.62, producing a net loss for that year of $14,820.43, or a loss aggregating 16.14% of the commissions collected; that in the year 1925 this association handled 187,167 head of livestock, collected gross commissions amounting to $64,917.26, its operating expenses amounted to $80,128.00, its net loss that year being the amount of $15,210.74, or 23.43% of the total commissions collected; that the following year, 1926, this association handled 208,638 head of livestock, collected $64,433.74 in commissions; its operating expenses that year amounted to $66,874.33, resulting in a net loss of operations that year of $2,440.59, or 3.79% of the gross commissions. We also offer to prove by these books and records that substantially the same number of heads of livestock was handled by this concern in the years 1927 and '28 each, and substantially the same amount of commissions collected, resulting in approximately the same percentages of earnings or losses as indicated by the former figures given with respect to the year 1926.

I would like a ruling from the Examiner upon that offer of proof.

The EXAMINER. The offer of proof denied.

Mr. GAGE. Now, I also want to state in this regard that the theory upon which this offer is made is this: that we will supplement the showing produced by these records, by showing, as to the published reports of the same association, with regard to the conduct of its business at some eleven other livestock markets during the years in question and referred to in my offer of proof, located in

various parts of the United States, including the eight markets, copies of whose schedules of tariffs and charges have been offered in evidence by counsel for the Secretary, and that the record of earnings and losses at those markets by the same association will show that the relative cost of transacting the same relative volume of business upon the Kansas City livestock market during the years in question was much greater than it was upon any of the other markets that I have mentioned, including all eight of the markets, the schedule of tariffs and charges with respect to which has been offered in evidence by counsel for the Secretary, or at least that portion of those markets upon which this corporation maintained commission houses.

We will further supplement that proof by showing that no boycott or impediment to trading of any kind or character existed with reference to the business of this association at the Kansas City market, subsequent to the month of November 1923, and prior to the year in which this association received its greatest volume of receipts of livestock upon this market, of any year up to the present date.

We offer this evidence for the purpose of showing the natural costs incident to the establishment of a going livestock commission business upon the Kansas City livestock market, and the comparative costs as between this market and other markets, evidence in respect to which, over our objections, counsel for the Secretary has put into the record; that is, evidence in regard to the pending schedules of tariffs and charges.

We offer it for the further purpose of showing and developing therefrom the cost that is incident to establishing upon this market a

livestock commission business, and the value both from the standpoint of going value and good will, which is inherent in an established livestock commission business, and upon which respondents are entitled to a reasonable return as upon capital invested in the business.

We further offer to prove by the books and records in question the facts that I have outlined in this offer of proof, for the reason that, from those facts, are developed the new competition to the business of these several respondents that has been inducted upon the market by registration of this agency by the Secretary of Agriculture, under the provisions of the Packers and Stockyards Act of 1921, and for the purpose of showing that this agency has done business upon the Kansas City livestock market during the years in question in substantial volume, and that such business has been, as the witness has already testified, fostered and encouraged by other governmental agencies and constitutes competition of a real and substantial character, the existence of which the Secretary should take into consideration in determining the reasonableness of any schedule of rates and charges to be applied to this market; and further for the purpose of developing the actual situation which exists, making it impossible for the business of the several respondents under consideration in this proceeding to become monopolistic in character.

The EXAMINER. As I understand, that is up till Jan. 1, 1929?

Mr. GAGE. Yes.

The EXAMINER. The offer of proof denied.

Mr. GAGE. I further want to point out the fact in this record at the present time that the counsel for the Government, in the examination of previous witnesses in this case, partic-

ularly the witness Claude Vance, of John Clay & Co., went into identically the same matters with respect to the books and records of John Clay & Co., which we now ask to go into with respect to the books and records of the company with which this particular witness is associated.

5. The Government witness W. T. Angle, who testified that he had never sold any livestock himself (T. 1740); that he was the manager of the Producers Commission Association; that he could not give the number of salesmen in the employ of his agency in 1929 (T. 1751); that he did not remember the total number of cars of livestock per salesman it had handled in 1929; that his firm was employing an additional salesman in 1930 to handle an increased volume of 453 cars of cattle (T. 1743, 1943), was asked the following question by Government counsel (T. 1721), to which respondents' objection was erroneously overruled:

Q. Have you given any thought or consideration to the number of cars of various species of livestock which a good salesman should be able to handle in the course of a year, taking the livestock just as it comes to this market?

A. Some; yes, sir.

Q. Would you state your views in that matter?

Mr. GAGE. That is objected to as calling for an answer wholly speculative in character. No objection to the witness' stating how many cars of livestock a salesman actually handled, although that also, as a class, probably appears from the audit.

It is objected to for the further reason that the question does not state the conditions of

the market and everything else under which the livestock are to be handled by the salesman.

The EXAMINER. Objection overruled.

The following further question was asked, objection stated, erroneous ruling made, and answer given:

Q. Now, considering all those things and including all the classes of cattle, all the kinds, including the truck-ins as well as those that come by rail, and taking them as they do come, that is taking into consideration that there are peak periods in the year, that you cannot get them evenly distributed throughout the year and that you cannot get them evenly distributed throughout the week, considering all these things and the conditions as they exist right now, I do not mean just as confining your considerations to this past week but considering present conditions on an annual basis at Kansas City, and expressing it in terms of carloads, would you say that if a good cattle salesman had that many cattle to sell he could dispose of 1,500 carloads in a year and do it as it should be done?

Mr. GAGE. Just a minute. That question is objected to for the reasons given in the objection to the former question of a like character, and for the further reason that it is leading and suggestive, not in proper form in the direct examination of the witness, for the further reason that the witness has himself testified that different standards of performance under the conditions he has described applied to different classes of salesmen of cattle, and especially from his testimony it is impossible for him to answer such a question without the rankest sort of speculation, and for the further reason that by virtue of the audits of the records of various concerns in

business, including the association with which the witness is connected, the counsel has before him accurate information as to the actual performance of various salesmen of the different classes of cattle referred to.

The EXAMINER. I am inclined to think the question is leading, but we do not really have strict rules on that. Ordinarily the Examiner suggests that it is better not to ask leading questions on direct examination. On the phase of the matter that the audit shows the actual number of cattle sold by the Producers Livestock Commission Association I presume that the audit itself would show that, but I understand that the question is directed as to how many carloads of cattle that this witness thinks a salesman can sell in a year, assuming that the cattle come to the market in such quantity at least as the witness would name under the conditions that actually exist at the Kansas City Stockyards, that is to say, to take this into consideration these very things that have been named and the fact that they do not come evenly distributed during the seasons of the year, or even during the week, I think the witness may answer that. It is a matter, of course, of opinion, but he has been on the yard here, as I understand, as manager of the Producers Commission Association since March 6, 1923, and I think that he would be qualified to express an opinion on that point. So I will overrule the objection.

The WITNESS. May I have the question?

(Whereupon the question as heretofore recorded was read by the reporter.)

A. Yes, sir.

Q. Now, with respect to hogs, Mr. Angle, would a good hog salesman under these general conditions I have outlined in the questions and you have outlined in the answers

with respect to cattle, would a good hog salesman be able to handle more or less hogs than the cattle salesmen could handle cattle?

Mr. GAGE. Same objection.

The EXAMINER. Objection overruled.

The WITNESS. I am inclined to feel that men of like capacity, that the number of cars that either could sell, the hog man as compared to the cattle man, would not vary a great deal. The same principle applies in one department that applies in the other. If you give a man ten carloads of cattle of like weight and flesh and quality and sex, when he finds a buyer for one of them he has got them all sold, and the same thing is true in the hog alley, with buyers on our market, packer buyers willing to buy large numbers, a man in the hog alley, with the increased truck business at this market, offers additional necessity for the yarding separate and additional sorting due to the truck-in business being split upon each truck farmer's own livestock, it has to be segregated and sold separately, and in the main I would say that the hog man could sell as many and I would be inclined to think more cars than the butcher cattle man could sell in the butcher cattle department. I would not say that would be true of the steer department.

Q. And how would it be with respect to the sheep salesman?

A. Well, in the sheep department, selling can be done with more speed or more cars handled with more ease on the part of a salesman proportionately, I believe, than either cattle or hogs. Especially is that true of the western and southwestern sheep consignments coming in by carload.

Other questions of similar purport were asked of this witness, objected to for same reasons, and the

answers erroneously and improperly admitted in evidence by the Examiner.

The record shows that the average annual salesmanship performance of cattle salesmen of the agency of which this witness was manager was 452 cars (Govt. Exh. 14–10).

Government's counsel addressed to the witness John W. Murphy (T–11, 1579) the following questions in respect of which the objections quoted were made and which the Examiner erroneously overruled:

> Q. Now, taking your business as it is, how many cars do you think a good salesman could sell in a year if he had them to sell?
>
> Mr. GAGE. I object to that question. It is just as ridiculous and foolish to be asking questions like that in this hearing as it would be to ask in a rate hearing involving the rates of the Union Pacific Railroad Company for freight how many tons of traffic they could handle in a year. It has nothing on earth to do with it and is wholly immaterial to any issue here. You can ask how many they have sold.
>
> The EXAMINER. Objection overruled.
>
> The WITNESS. Do I understand I am to answer that?
>
> The EXAMINER. If you know, yes, sir.
>
> A. I don't think there is a human being on earth could tell.
>
> Q. Do you think he could handle as many as 1,500 cars and handle them properly?
>
> Mr. GAGE. Objected to.
>
> A. Yes.
>
> Mr. GAGE. That is objected to for the reason given in the objection to the former question, and for the further reason that it fails to state the conditions under which they are to be handled.
>
> Mr. BOHANNAN. Conditions just as they have been in the past year in Kansas City.

The EXAMINER. All right, objection overruled. Is the answer "yes" as stated above, or not?

A. Yes. But that would depend altogether on market conditions, climatic conditions and the various things that enter into livestock selling.

Government counsel addressed to the witness W. B. Ecton (T–II, 2045) the following question, to which objection was made and erroneously overruled by the Examiner (T–II, 2045):

Q. Now, taking this market as it is, that is, it has existed in the past twelve months, and considering how the cattle come, considering that they do not come evenly spread out over the week, but heavier in the first three days as you have testified, considering also they do not come evenly spread out through the year, but, however, these heavy runs at periods of the year, considering the buying demand and all, would you say that if a cattle salesman received for sale as many as 1,500 cars of cattle that he himself could sell those and do it properly?

Mr. GAGE. That is objected to as leading, suggestive, and argumentative.

The EXAMINER. Objection overruled.

A. Yes, sir; he could sell even more than that.

Respondents state that the Examiner erred in improperly overruling each and every of the objections hereinbefore referred to to questions addressed to the witnesses Angle, Murphy, and Ecton, and thereby permitted testimony improperly elicited from the witnesses, incompetent and prejudicial to respondent, to enter the record.

6. Respondents also except to the action of the Examiner in overruling proper objections of respondents with respect to questions asked by Government counsel and to the introduction of certain exhibits offered in evidence by him, appearing in the transcript of the evidence taken at the rehearing at pages 22, 25, 1531, 1532, 1536, 1537, 1540, 1542, 1547, 1548, 1550, 1555, 1558, 1561, 1563, 1564, 1682, 1737, 1738. 1904, 1907, and 1921 thereof.

Each and all of said objections so shown on the record were proper objections predicated either upon the leading or suggestive character of the questions, the immateriality, irrelevancy or incompetency of the information sought to be elicited, and should have been sustained.

7. Because the Examiner unfairly and capriciously denied the motion of respondents to postpone and delay any argument upon the exceptions of respondents which were filed under order of the Secretary to the so-called "Tentative Findings of Fact, Conclusions and Order" which was a copy of the invalid order of June 14, 1933. Such motion requested the Examiner to postpone such argument until after the evidence to be taken at the reopened hearing should have been heard to then proceed before the Examiner either prior to or subsequent to the preparation of his tentative "Report and Recommendations" (T–3, p. 11). Such action unfairly and without justification imposed an unreasonable burden and expense upon respondents.

8. Because the Examiner erroneously refused upon motion of respondents to strike from the record the so-called "Tentative Findings of Fact, Conclusions and Order," which was a copy of the invalid order of

June 14, 1933, prepared *ex parte* by Government counsel (T–3, p. 29).

9. Because the Examiner refused the request of respondents to rule and failed to rule upon the exceptions to the so-called "Tentative Findings of Fact, Conclusions and Order" of June 14, 1933, after argument of respondent had been presented and failed to advise respondents or their counsel of the conclusions by him as to such exceptions prior to the taking of evidence herein and has since at all times failed and refused to rule upon such exceptions (T–3, pp. 172, 487).

10. Because the Examiner erred in denying to the respondents the opportunity for fair presentation of pertinent, material, and relevant evidence in sustaining the objection of Government counsel to the introduction in evidence of the Annual Reports required under the provisions of the Packers and Stockyards Act, 1921, filed with the Secretary of Agriculture by the respondents, Producers Commission Association and Farmers Union Livestock Commission Company, cooperative concerns which during the period from 1933 to 1937 were said to have complied with the provisions of the invalid order of June 14, 1933 (T–3, pp. 556, 557). The respondents had shown by other evidence that these agencies were compelled by financial exigencies during this period to withdraw from the Market Practice Agreement at Kansas City approved by the Secretary of Agriculture, and to withdraw the deposits made thereunder to guarantee their trading upon the market, and to discontinue membership in the clearing house, where items of credit are cleared at the Kansas City Stockyards in the course of the trading. The Examiner further erred in denying the offer of

proof made by respondents to show by such evidence that the actual operation of these two agencies, one of which had been shown in other evidence financed by the United States Government under the Farm Board Act, after the application of the rates contained in the invalid order of June 14, 1933, was unprofitable and, in fact, disastrous to the financial condition of those agencies during the years from 1933 to 1937 (T–3, p. 557). The aforesaid rulings were capriciously and erroneously made without valid reason in law in support thereof and were highly prejudicial and unfair to the respondents.

11. The action of the Examiner in offering in evidence as Examiner's exhibits Examiner's Exhibit 1 (T–3, p. 754), Examiner's Exhibit 2 (T–3, p. 763), and Examiner's Exhibit 3 (T–3, p. 829) was improper and erroneous in that such exhibits were taken from the files of Government counsel, consisted of purported affidavits of service upon persons and firms not engaged in business at the time of the original proceedings under Docket No. 311 as market agencies, or in any other manner or fashion at the Kansas City Stockyards, many of whom were not even in existence as of June 14, 1933, or at the times when evidence was heard herein at the former hearings, such service or purported service being improper, objectionable, and invalid.

12. Respondents further object to the action of the Examiner in overruling each and all of the exceptions lodged to the introduction of Government Exhibits B–1 to B–31, inclusive, and to the testimony of witnesses in relation to alleged service of notices upon various individuals (T–3, pp. 704 to 813, inc.).

Respondents state that by reason of each and all of the aforesaid improper acts and rulings of the

Examiner a fair opportunity to present evidence in this proceeding has been denied to respondents and each of them; matters prejudicial to respondents have been improperly and unfairly permitted to appear in the record; and a full and fair hearing denied unto respondents and each of them upon the order of inquiry issued in this proceeding, and the "Report and Recommendations" of the Examiner should be suppressed for each and all of the reasons herein stated and as set forth in the motion to suppress such report filed by respondents.

Respectfully submitted.

FREDERICK H. WOOD,
JOHN B. GAGE,
Attorneys for Named Respondents.

Of Counsel:
THOMAS T. COOKE,
CARSON E. COWHERD.

UNITED STATES DEPARTMENT
OF AGRICULTURE,
Washington, D. C., May 3, 1938.

To the Editor of the New York Times:

The New York Times on pages 1 and 2 of the Sunday issue of May 1 and on the editorial page of the issue of May 2 unwittingly committed an injustice against the Department of Agriculture and the present Secretary of Agriculture. According to The New York Times the decision in the *Kansas City Rate Case* handed down on April 25, "Rebuked Wallace" and "intimated that the stockyards company was unfairly treated." In another place, the New York Times says, "the Supreme Court held that Secretary Wallace had accepted as his own the findings of the 'active prosecutors for the government'

and had not given the packers the right to a full and fair hearing in the proceedings, which involved the establishment of maximum rates for livestock sales commissions in Kansas City."

It is not surprising that reporters for the New York Times, who are undoubtedly among the best in the country, should have been deceived. I have found that even the most prominent people in the administration, whose duty it is to keep up to date on current affairs, were misled by the curious way in which the April 25 decision of the Supreme Court was written by Chief Justice Hughes. The court's cloudy phraseology was made necessary by the fact that two years previously the Chief Justice in this same case had taken a different stand and there was necessary a careful job of legal reconciliation which confused the clarity of thought.

PRACTICE FOLLOWED

The very heart of the decision as stated by the Chief Justice in his April 25, 1938 pronouncement, I believe to be sound. This has to do with furnishing to business men a definite order or set of findings, so that they may have something to shoot at before they appear in final argument. I agree that the practice followed in previous administrations was unfair, and I am glad to say that nearly two years ago this Department established the procedure which the Supreme Court now says is necessary.

It is interesting to note that the particular error of omission on which the Chief Justice hangs his decision was committed not by this administration but by the previous one. It was the Solicitor of the previous administration who failed in February or

early March of 1933 to send out the order to the commission men so that they would have something definite to shoot at when they came in to the oral argument on March 24, 1933. I do not blame the Solicitor, because he was merely following the practice established in preceding administrations.

Old Deal lawyers did not have the opportunity of thinking so continuously about the problems of administrative law. Under the New Deal there has been much thought about perfecting the procedure of administrative law to insure fair play.

CREDIT TO DR. MOHLER

Dr. John R. Mohler, Chief of the Bureau of Animal Industry, one of the most respected and fairest-minded men in the government, deserves credit for helping to bring about the necessary change in practice long before the decision of the Chief Justice in 1938. It is interesting to note that in May of 1936, when this case was up before the Supreme Court on a prior hearing, the Chief Justice in the opinion which he handed down was not particularly concerned with whether or not an order had been sent to the commission men.

On that occasion the one matter which seems to have concerned him above everything else was whether or not the Secretary of Agriculture had sufficiently studied the evidence. To determine this point he sent the case back to the lower courts and asked that an investigation be made. An investigation was made, the Secretary of Agriculture was cross-examined, and this point was settled to the Chief Justice's satisfaction.

Incidentally, I may say that Dr. Mohler tells me that I gave this case more personal attention than

any previous Secretary of Agriculture had ever given to any case under the Packers and Stockyards Act or for that matter to any half dozen cases. The Chief Justice in his 1938 decision quotes the statement in my testimony to the effect that I conferred with the men of the Bureau of Animal Industry and then reached an independent conclusion as a result of which I changed certain rates (in favor of the commission men, as it happens, although the Chief Justice did not so state).

FORMED OWN OPINION

The men of the Bureau of Animal Industry were of very real assistance to me in digesting the 10,000 pages of oral transcript and studying carefully the 1,000 pages of statistical exhibits. It was right that I should rely on them, because these men were employed among other things for just such a purpose. They were not the active prosecutors in the case, as has been assumed.

In 1928 the then Secretary of Agriculture divided the Packers and Stockyards Administration into two parts. The legal part, composed of the active prosecutors, went to the Solicitor's office; the administrative and investigational section went to the Bureau of Animal Industry. I conferred separately and collectively with both groups. Their opinions did not agree. I arrived at an independent opinion of my own.

All of this, however, is quite irrelevant and would not be in the 1938 decision at all if it had not been for the fact that in 1936 the Chief Justice sent the case back to the lower courts to find whether or not the Secretary of Agriculture had given the case sufficient personal study. Having found that the Secretary of

Agriculture had given the case personal study, he shifted ground and placed the blame for the vital defect on the previous administration, although in such words that the most skilled reporter or headline writer could arrive at no other conclusion than that the present administration had been rebuked.

The confusion arises from the fact that in the decision the words, "Secretary of Agriculture" refer to several different individuals in two different administrations and the distinction would not likely be caught by anyone who is not in the Department of Agriculture.

Because of the fact that the Kansas City Rate Case decision is certain to have a far-reaching significance to governmental quasijudicial agencies, I have in the following sketched the background of the legislation and the case involved.

MARKET HISTORY

Twenty years ago Senator John B. Kendrick, of Wyoming, T. W. Tomlinson, Secretary of the American National Livestock Producers, and Henry C. Wallace, my father, who was Secretary of the Corn Belt Meat Producers Association, worked together strenuously for what they believed to be a New Deal for stockmen at the great central markets. Previous to 1921 livestock marketed at the central markets was not subject to federal regulation. The stockmen felt that the charges were too high and that many of the practices were unfair. They had tried cooperative marketing agencies, only to have them boycotted and destroyed, I myself had done statistical work for the Corn Belt Meat Producers Association, and had written editorials on the need for federal regulation.

When my father became Republican Secretary of Agriculture in 1921, his greatest interest was to bring about the passage of the Packers and Stockyards Act. When the Act became law he set up in the Secretary's office an administrative force. Thus was set up in the Department of Agriculture one of the first of its quasi-judicial agencies. At that time, aside from the Interstate Commerce Commission and the Federal Trade Commission, there were not many such agencies in the government.

As time went on corporation lawyers more and more developed a feeling that these governmental agencies were unfair. The point they made was that the government was simultaneously investigator, prosecutor, and judge. And yet the growing power of corporations and the increasing complexities in modern economic life made the increased development of semi-judicial, semi-executive agencies inevitable.

CHANGED PROCEDURE

Perhaps it was this growing feeling on the part of corporation lawyers which led the Secretary of Agriculture in 1928 to take the Packers and Stockyards Administration out of the Secretary's office and put the prosecuting functions in the Solicitor's office and the fact-finding and administrative functions in the Bureau of Animal Industry. It is a curious comment on human affairs that the resentment which corporation lawyers had long held against quasi judicial agencies in government should have received its most effective support from the Supreme Court in terms of condemnation of the action of an agency which had gone the whole way toward meeting the Supreme Court's objections. I find this whole

matter of unusual interest because two of the six justices who voted to take this action sat in the same cabinet with my father in the early '20's. Both of them undoubtedly knew that the Packers and Stockyards Act was an integral part of the Republican agricultural New Deal of 1921. Both of them were doubtless familiar with the way my father had set up the original Packers and Stockyards Administration. But it is doubtful if either of them knew about the change in 1928 when the Secretary allocated the legal functions to the Solicitor's office and the other functions to the Bureau of Animal Industry.

While I believe that knowledge of this fact would have caused some difference in the phraseology of the opinion, I do not contend that this knowledge would have reversed the verdict, because I am convinced that both liberals and conservatives on the court were eager to use the first opportunity to give a warning to the newer quasi judicial agencies.

HYDE SETS RATES

Really vigorous action in the reduction of commission rates did not begin until the depression of 1930. As the depression deepened, farmers became more and more disgusted to see commission rates held up nearly to the 1929 level, when the price of their livestock had been cut in half. They brought great pressure to bear on Assistant Secretary of Agriculture Dunlap, whom the Secretary, Arthur M. Hyde, had assigned to deal with such matters.

In April of 1930 Secretary Hyde ordered that the Kansas City commission rates be looked into. A representative of the Solicitor's office in the Department of Agriculture acted as an examiner, and took evidence in late 1930 and early 1931. Commission

men appeared as witnesses, so also did investigators of the Bureau of Animal Industry. In March of 1931 oral arguments were held before Assistant Secretary Dunlap and in the spring of 1932 the Secretary issued his findings and an order prescribing new rates.

Within a short time, however, the Secretary reached the conclusion that because of changed economic conditions these rates would not be enforced, but a new hearing would be held. The economic conditions had, of course, gone from bad to worse, and it is to be presumed that the then Secretary of Agriculture felt that the rates in his order were too high, and that a review of the economic situation would result in still lower rates. At any rate, an examiner was sent out from the Solicitor's office in the fall of 1932 and both old and new evidence was submitted.

When the Democratic Administration came in in March of 1933, the function of listening to oral arguments under the Packers and Stockyards case was still set up in the Assistant Secretary's office. On March 24, therefore, Rex Tugwell, the new Assistant Secretary of Agriculture, heard the oral argument with regard to the Kansas City Rate Case. Previous to that time, however, there occurred that which Chief Justice Hughes describes as a "vital defect" in the hearing. This defect, for which the previous administration was solely responsible, consisted in the following: The commission men had not been given the right to look at the proposed order before they came to the argument.

Personally, I agree with Justice Hughes in this particular contention, as is shown by the fact that in 1936, nearly two years before Chief Justice

Hughes's finding, I signed an order providing for procedure to enable appellants to see the proposed order at least twenty days before the oral argument. When I side with the Chief Justice in this conclusion I am not necessarily criticizing those who were Solicitors in the preceding Administrations and who felt that a full hearing did not require giving the com mission men the right to see the order in advance so they would have something definite to shoot at in the oral arguments.

But if the Solicitor of the preceding administration could have had some sense of prophetic warning he could have saved to the farmers of the Kansas City area at least $700,000 which rightfully belongs to them and which will now go to the commission men and their attorneys.

So far as the Packers and Stockyards Administration of the Department of Agriculture is concerned, the Supreme Court in its decision of April 25, 1938, has not served a useful purpose. We had already made the reform which the Supreme Court says should have been made by the preceding Administration.

So far as the farmers are concerned, they lost $700,000 which has been impounded as the difference between the rates established in the Secretary's order of 1933 and the old Kansas City rates based on the 1929 conditions.

So far as other quasi-judicial agencies in the executive branch of the government are concerned, it would seem that each must discover in its own way an appropriate mechanism for showing a full hearing to businessmen and corporations. In Packers and Stockyards procedure I was able to assure such a full hearing by making it a requirement that the pro-

posed order be sent to the interested parties by registered mail at least twenty days in advance of time for oral argument. In the case of the Packers and Stockyards administration I do not anticipate that this requirement will result in any unnecessary embarrassment or delay.

PUBLIC NEEDS PROTECTION

I can conceive, however, that with respect to certain fields of government activity corporation attorneys and reactionary judges might conceivably use this finding of the Supreme Court greatly to the advantage of the corporations and greatly to the disadvantage of the public. It would seem as though there is just as great a need for the public being fully and fairly heard as there is for the corporations.

In the Kansas City Rate Case the Supreme Court finding has the effect of doing a definite injustice to the public. Two extended sets of hearings before examiners were held, one in early 1931 and the other in late 1932. Two oral arguments were held, one in early 1931 and the other in early 1933. Two findings were made and two orders were signed, one in May of 1932 and the other in June of 1933.

The change in economic facts between the examination of early 1931 and the examination of late 1932 was such as to justify lower rates rather than higher rates. Furthermore, in November of 1937, when economic conditions were materially better than in 1931, 1932, or 1933, the Kansas City commission firms voluntarily accepted rates almost identical with my order of June 1933.

The evidence is clear, therefore, that the Supreme Court in order to flash a warning to quasi-judicial agencies in the executive branch of the government

did that which those of us who are close to the industry know to be a definite injustice to the farmers involved. It will be exceedingly unfortunate if corporation lawyers take this finding of the Supreme Court as an excuse to bring about the interminable delays for which some of them are famous.

INJUSTICE TO FARMERS

The final court of appeal in the United States is to the bar of public opinion. In bringing this present case before that bar I would raise the question as to the extent to which a court in its desire to call public attention to certain trends in public policy should permit itself to do a substantial injustice to a considerable number of citizens—in this case the farmers who had sent livestock to the Kansas City Market from June of 1933 to November of 1937. They were harmed to the extent of more than $700,000 in order that the court might make it known that in quasi-judicial proceedings orders should be formulated and sent out to the appellants that they might have something to shoot at when the time came for oral argument.

With regard to this point I have no quarrel with the Chief Justice. But it does seem that he could have done justice to the farmers and at the same time have issued this warning. I trust the day will come when the Supreme Court will recognize a menace far greater than that contained in any of the quasi-judicial agencies—namely the tendency of some corporation lawyers and courts to drag out their proceedings to an interminable length.

In conclusion, we may well ask whether the court was interested in this case primarily from the standpoint of doing justice as between farmers and commission men in the Kansas City territory or in using a convenient peg on which to hang a statement encouraging lower courts to attack and delay the actions of quasi-judicial agencies. As I have said before, I agree fully with the Chief Justice about the fairness of sending out orders in advance of final oral argument in order that the appealing parties may have something definite to shoot at. But if the obiter dicta in this case are to be taken as an excuse for delay by the lower courts it is high time that the whole matter be agitated to the utmost before the bar of public opinion.

(S) H. A. WALLACE,
Secretary.

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